密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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MR. STRAWN AND THE GUN-RUNNING BUSINESS IN CHINA

IN AN ADDRESS recently delivered in Chicago by Mr. Silas H. Strawn on conditions in China, he referred to the complaint which is frequently made that 'the foreign Powers furnish the Chinese with arms and munitions and that thereby the war lords are able to carry on their useless wars.' In reply to this charge, Mr. Strawn said that the powers had a 'clean slate' and that when importations into China of arms or war materials are attempted, they are seized by the Customs and confiscated as contraband: thereupon the dominant war lord seizes the shipment for his use. Furthermore, in Mr. Strawn's opinion, the problem of policing the borders of China for the purpose of preventing the entrance of war materials would be too big a task, hence it is up to the Chinese to do the job themselves.

MR. STRAWN was perfectly correct as far as he went on the question of the Powers' responsibility in the supplying of foreign arms and munitions for China's war lords, but apparently he was unfamiliar with efforts which have been made over a period of practically ten years to prevent the sale of arms to Chinese factions. The first effort to prohibit the sale of arms in China was made on April 26, 1919, when upon the recommendation of the American Minister in Peking, the Diplomatic Body adopted a resolution prohibiting their nationals from bringing arms into China. This resolution however, was practically nullified by reservations made by the Italian and Japanese Ministers exempting certain 'prior' contracts which had been made for the delivery of arms in China by Italian and Japanese merchants respectively. Then on January 24, 1922, at the Washington Conference, Mr. Balfour, on behalf of the British Delegation brought up the question of declaring an embargo on the shipment of arms into China and proposed the adoption of the following resolution:

"1.—The United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands and Portugal affirm their intention to refrain themselves and to restrain their nationals from exporting to China arms, munitions of war, or material destined exclusively for their manufacture, until the establishment of a Government whose authority is recognized throughout the whole country.

"2.—Each of the above Powers will forthwith take such additional steps as may be necessary to make the above restrictions immediately binding upon all its nationals.

"3.—The scope of this resolution includes all concessions, settlements, and leased territories in China.

"4.—The United States of America will invite the adherence of this resolution of the other Powers in treaty relations with China.

WHEN THIS resolution came up for discussion, the Italian Delegation at the Washington Conference again offered objections on

the ground that certain Italian firms still had certain unfilled contracts for arms which were being sold in China, hence the Italian Government could not agree to the resolution. In reply to this Mr. Balfour called attention to the fact that the Italians had made a similar reservation to the resolution adopted by the Deplomatic Body in Peking three years previously. He expressed considerable curiosity as to when the Italian arms contracts would be completed. The Italian reply to this was that the matter would have to be referred to the Italian Government for advice. There were certain other objections raised at the time by the Japanese, who were afraid the Balfour reservation might prevent the importation of arms into the Japanese leased territory at Port Arthur; and by the French who feared that the resolution might prevent the importation of arms for the police force and volunteers in the French Concession at Shanghai and elsewhere. As a result of these various objections, the matter was held in abeyance until Jan. 31 when the resolution proposed by Mr. Balfour was brought up in modified form to meet certain objections which had been raised, the first paragraph of the amended resolution reading as following:

"1—The United States of America, Belgium, the British Empire, France, Italy, Japan, the Netherlands and Portugal affirm their intention to refrain from exporting to China arms or munitions of war, whether complete or in parts, and to prohibit such exportation from their territories under their control, until the establishment of a Government whose authority is recognized throughout the whole of China."

HOWEVER, Senator Schanzer of the Italian Delegation still stuck to his previous reservation, following which the Japanese delegates also asked for further consideration. The next day, however, the Japanese agreed to the Balfour resolution, but stated that in view of the Italian reservation it would be necessary for the Japanese Government to take necessary protective steps against 'undue hardships thus imposed on bona fide Japanese merchants.' Mr. Balfour, then, according to the official minutes of the Conference, lost patience and declared that the British Government had refused to permit its nationals to sell arms in China, which was a manifestly unfair proposition if other nations under the guise of 'unfilled contracts' were to continue to ship arms into the country. Mr. Hughes of the American Delegation also discussed the Italian reservations rather pointedly, stating that it would be difficult to prevent Americans from shipping arms to China if the nationals of other countries were making shipments. Mr. Hughes then suggested to the Italians that they furnish the Conference with details regarding their 'unfilled contracts, for arms and munitions; which of course the Italians declined to do. Thus, as a result of the Italian attitude, the whole resolution failed and the Powers had to give up the attempt to prevent shipments of arms to the military factions in China. To show its good faith in the matter, President Harding, immediately following the Washington Conference issued a Presidential Proclamation prohibiting American citizens from exporting arms to China and providing a penalty for violations not exceeding G.$10,000 or imprisonment not exceeding two years or both. The American Proclamation on this subject, follows:

Whereas, Section 1 of a Joint Resolution of Congress, entitled a "Joint Resolution To prohibit the exportation of arms or munitions of war from the United States to certain countries, and for other purposes," approved January 31, 1922, provides as follows:

"That whenever the President finds that in any American country, or in any country in which the United States exercises extra-territorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

And whereas, it is provided by Section II of the said Joint Resolution that "Whoever exports any arms or munitions of war in violation of section I shall on conviction be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

Now, therefore, I, Warren G. Harding, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exist in China such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to China, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution, and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the Power of precribing exceptions and limitations to the application of the said Joint Resolution of January 31, 1922, as made effective by this my Proclamation issued thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States to be affixed.

DONE at the City of Washington this fourth day of March in the year of our Lord one thousand nine hundred and twentytwo and of the Independence of the United States of America the one hundred and forty-sixth.

Warren G. Harding.

By the President:
Henry P. Fletcher
Acting Secretary of State."

THE ATTEMPT by the British and American Governments to prevent arms shipments into China, has had very little effect however, for the Italians have continued to sell arms in China and in addition, both the Germans and Russians, neither of which latter mentioned countries were represented at the Washington Conference, have had a free hand and have not been slow in taking advantage of their opportunities. A writer in the *Saturday Evening Post* sometime ago stated that the entire stock of rifles captured by the Italians following the collapse of the Austrians in the World War, have been sold in China, chiefly to the Northern militarists, while the Kuomintang and Kuominchun armies both have been armed and munitioned by the Russians. As for the Germans they have done a thriving arms business in China as frequent references in the press have shown. Only a few days ago a large shipment was received at Tsingtao by the Fengtien general, Chang Chung-chang, from a German firm. Very little is known regarding the Japanese, but it has always been rumored that Chang Tso-ling has been a good steady customer of Japanese firms dealing in rifles and munitions in Manchuria. And recently, to add further joy to the situation, the Americans have found that their law, while preventing the actual shipment of arms from the United States to China, does not prevent American citizens from engaging in the trade as long as they do not obtain their supplies from American sources. Thus an American, if he so desires, may purchase arms in Germany or Russia and sell them in China to his heart's content, providing he does not run foul of some minor regulation making it a misdemeanor to

'carry concealed weapons.' Thus, Mr. Strawn's statement that the Powers 'have a clean slate' from the standpoint of providing Chinese factions with arms and munitions hardly coincides with the facts, since the records show that the Powers have had everything in the world to do with the matter—of course, excluding the output of China's dozen or so arsenals.

BETTER CABLE FACILITIES IN PROSPECT

A SERIOUS MOVE is to be made shortly according to recent report from Washington, in the direction of inducing Congress to provide funds for the extension of the present Alaskan cable to the Asiatic mainland. The purpose of the action is to relieve the congestion now existing in respect to the Commercial Pacific Cable, and to provide lower rates for the transmission of commercial and news messages. At the present time, direct cable transmission between Japan and China and the United States is limited to the Commercial Pacific Cable, which extends from San Francisco to Honolulu and thence to Midway, Guam and Manila with branches running to Shanghai and Japan. The Commercial Pacific Cable, although operating as an American corporation, is owned to the extent of 75 percent of its stock by the so-called Danish-British cable trust, hence there is little incentive to provide more efficient and lower-cost service between China and Japan and America as long as the present monopoly can be maintained. This monopolization of telegraphic communication across the Pacific has had the effect of seriously handicapping the transmission of both news and commercial messages. At the present time it costs approximately forty cents (gold) a word to send a news message from China to America, while until recently the cost between Japan and America was twenty-seven cents (gold) a word. In comparison with these prohibitive rates across the Pacific, the cable companies operating across the Atlantic only charge an average of six cents (gold) a word. The reason for the difference is due chiefly to the fact that there is competition on the Atlantic, while on the Pacific there is only one cable, which enjoys a monopoly of the business.

THERE HAS BEEN hope that the development of wireless would bring relief, but despite some ten years of effort, the American radio interests apparently have been permanently blocked in their effort to establish direct radio communication between China and the United States. The obstructive element here is the Japanese Government which claims a monopoly of the right to conduct radio communication both within China and between China and other countries, the monopoly being based upon a concession granted to a Japanese concern several years ago when the Anfu Party was in power. According to recent report from Peking, the Japanese Government has issued an ultimatum to the Peking Government which has had the effect of permanently blocking the construction of wireless stations in China by American interests. Thus, the only way out of the difficulty is for the American Government, or American private interests to construct another cable. At the present, the American Government maintains a cable stretching from Seattle to Alaska and according to those who have made a study of the matter, the cost would not be prohibitive to extend this cable along the Aleutian Island to the coast of Asia where it could be connected with the land lines in Siberia and thence with China. Another suggestion is that the cable be extended directly south from Alaska to Guam and thence to China and Japan. Either of these plans would, according to report, provide a much shorter cable than the present Commercial Pacific line and hence less expensive for upkeep and less likely to suffer interruption from breakage.

IT IS INEVITABLE that something will be done shortly to provide cheaper and more efficient communication between America and Asia. The present inadequate and expensive means of communication constitutes the greatest possible handicap to the establishment of better trade and diplomatic relations between America and the Far East. From the standpoint of news communication the present rate of forty cents (gold) a word has the effect of limiting news messages to the most sensational happenings. Thus newspaper readers in America only hear of the accounts of battles, kidnappings, strikes and boycotts in China while newspaper readers on this side of the Pacific only hear of bootlegging adventures, murders, cyclones and similar things in the United States. The natural result of this is that instead of stimulating travel and commerce, it acts as a distinct handicap. The low cable rate for news transmission of six cents (gold) a word which prevails across the Atlantic permits a constant flow of the more constructive classes of news which naturally stimulates trade and travel resulting in better understanding and relationships. It is inevitable that something will be done shortly to remedy the abnormal cable situation existing in the Pacific and it would help matters greatly if the chambers of commerce and other organizations on both sides would give this matter their attention.

SHANGHAI THE 'MECCA' FOR CHINESE BANKERS

CHINESE BANKERS are flocking to Shanghai, not because there is a national convention on, or anything like that, but in order to get as far away as possible from two political situations which at the present are very unhealthy for the Chinese banking profession. In Peking, the Fengtien militarists have just installed Mr. Pan Fu as Minister of Finance and Mr. Pan Fu is looking for money with which to finance the war against the South. As a result of Minister Pan Fu's earnest search for war funds, most of the prominent Chinese bankers in Peking and Tientsin have found it desirable to come to Shanghai on 'urgent' business. Then from Peking controlled by Marshal Chang Tso-ling and his associates, we turn to Hankow, which is controlled by Gen. Chiang Kai-shek, the radical Kuomintang leader. We also find the Chinese bankers in that city in a dilemma, for the Kuomintang party is bent upon the establishment of a Hupeh provincial bank with a capital of about $20,000,000, the said capital to be provided by the Chinese bankers in Hankow. We are not familiar with all of the details, but according to the report, the Kuomintang has announced a sort of capital levy, or in other words the Chinese bankers have been told in rather straight language that they must 'hand over' the capital to start the new bank. The result has been numerous failures on the part of smaller institutions and at least one run on the Hankow branch of one of the Government banks. Hence Shanghai is also a popular resort for the Hankow bankers who have no more enthusiasm for financing the Kuomintang war against the North than have their fellows in Peking for financing the Fengtien war against the South. Altogether it is not a very happy season for the banking profession.

The Question of Feeding China's Millions

BY WALTER H. MALLORY, *Executive Secretary,*
China International Famine Relief Commission

FOOD is one of the most vital questions of China today. It is believed that the total production and importation of eatables is not sufficient to afford the Chinese people a diet which will keep them in health. There are districts every year where crop failures from natural causes, or where upset political conditions, result in famine distress. And with the constant growth of the population of the country, and the increase of civil commotion which has the effect of slowing up production, there seems every assurance that conditions will become continually worse rather than better. This question of food has a bearing on all other problems of existence, for it is the most fundamental requirement of mankind. Compared with the necessity of acquiring sufficient nourishment to sustain life, all other considerations pale into insignificance. Politics, education, and religion must yield their place in the consciousness of the individual to the primal instinct for self-preservation. Thus it is that those developments which will insure the crops against destruction and which will assist in increasing the production of foodstuffs are of such vital importance to China and of such interest to her people.

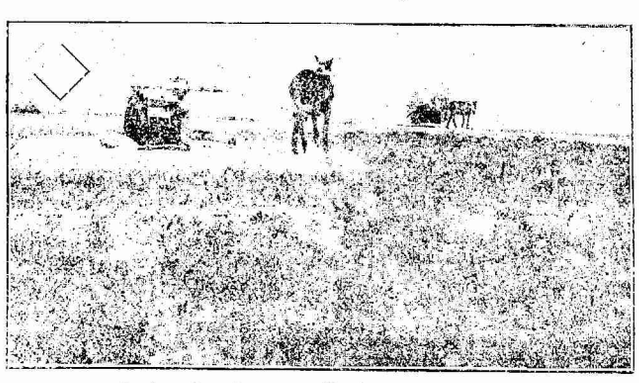
The most fundamental project of improvement in this direction is the cure for flood and drought. This question has received a great deal of study by experts, but it is still not generally known by the public what methods will bring the most rapid or the most effective results. Nor do experts agree.

It is recognized that there are two distinct types of endeavor which will have the effect of preventing or at least of decreasing the severity of drought and flood. These are forestation which, it is contended by many, would result in more regular and dependable rainfall, thus preventing drought, and slower run-off which would avert flash floods, the rapid erosion of the upper reaches of streams, and the silting up of rivers which cause inundations; and on the other hand modern engineering which would develope irrigation to relieve the effects of dry spells, and river control to do away with floods.

A discussion of the relative merits of these two methods in bringing results is usually left to either foresters or engineers, men who are prejudiced by training, professional pride, and personal interest in favor of their own type of work. The writer has long felt that unbiased opinion is needed from those who can weigh the facts in the case dispassionately. This, however, is not easy to obtain for most people are loathe to express an opinion which would almost inevitably give prominence to the work of one profession or the other. This leads to a deluge of refutation from one side or the other and the most common imputation which is directed at the well intentioned writer (and probably the most telling, considering the present high regard in which the public holds the "specialist") is that he is lacking in "technical" background, or experience.

The writer pleads innocent of being either an engineer or a forester, although he has had a technical education and has studied the causes and cures of natural disasters with some diligence. It is this position of detachment from either camp which gives him the hope that his unbiased opinions may be of some help in the discussion of this important question.

In the first place there should be no conflict between the engineer and the forester. In undertaking disaster prevention both are endeavoring to accomplish the same end but from different angles. Where the conflict occurs is when the engineer claims that he can effect a permanent cure for flood or drought in China without the aid of forests, or when the forester insinuates that he can entirely cure these natural ills by tree planting. Both contentions are erroneous. In fact in countries where both forest and river conservancy have been carried on scientifically for many years floods have not been eliminated, as was evidenced by the recent serious inundations in several countries of Europe. But, working together, the engineer and the forester can improve conditions until only exceptionally unfavorable natural phenomena actually result in disaster.

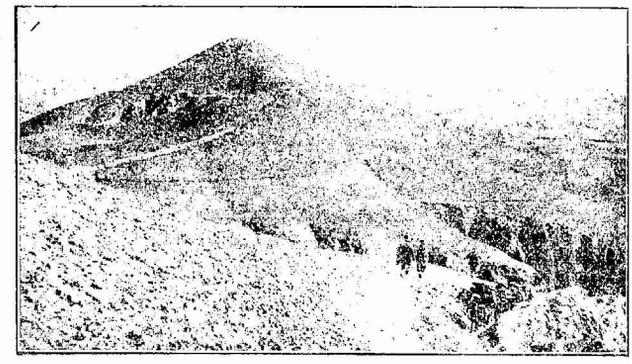


Irrigating from wells in North China.

However, with a given sum of money to spend the question arises which of these lines of work should be undertaken first or whether the fund should be divided and a part of it devoted to each? So far as the prevention of disasters which result in famine is concerned, and that is the only point which we are discussing here, there is no doubt that with conditions as they now are in China the engineering program should be given preference over forestry work. From the knowledge gained from five years' work and study, the Famine Commission has adopted the policy of undertaking river conservancy and land reclamation project first, and it believes that of all the ameliorative measures to prevent famine, forestry work will affect the problem most remotely. As political conditions improve and as the most urgent engineering projects are disposed of, more and more emphasis can be laid on the development of forests.

The Question of Droughts

Without wishing to deprecate the great benefits of forests for economic and other reasons, the writer must disagree with the opinion, current in many quarters, that simple tree planting will result in dependable rainfall in North China. There is not unanimity of opinion on this subject of the effect of forests on precipitation. Apparently there is insufficient data from which to formulate a convincingly scientific theorem else there would not be this disagreement. While there is this belief on the part of many scientists that the old idea of wooded lands as drought insurance has been greatly overdone, there should be hesitation in recommending tree planting as the first step for securing a dependable water supply for the crops. This is especially true when it is recognized what a tremendous undertaking the conversion of an unwooded countryside to a forest is.



The barren hills of North China.

But assuming that tree planting on a wide scale in North China would result in frequent showers, an even greater problem arises in the question of where to plant the trees. The chronic drought area occurs roughly, between the Yangtze River and the Great Wall. Much of this country is a perfectly flat plain which is densely populated, and intensively cultivated for the growth of grain with which to feed the people. It therefore becomes at once apparent that it is not sound to advocate the forestation of these level stretches of good farm land which would have the effect of decreasing rather than increasing production, All the available space must be used for the growth of food-stuff. Trees not only take a good deal of nourishment from the soil but their shade is injurious to the grain crops.

When we consider the problem of wooding the hill country to the West, we are also confronted with almost insuperable difficulties, due to the very dryness which it is desired to mitigate. Young trees must have moisture if they are to live and it is the exceptional year when the rainfall provides enough, unaided by artificial means. It is, therefore, necessary to water the trees when they are first set out, and again a little later in the season. Subsequently they must be watered twice yearly for several years until they get a good start.

There is no water in the hills of North China so it must therefore be carried up from the valleys by human labor. Two Standard Oil tins of water are required for a tree at one watering—a normal load for a man to carry up the steep

Digging grass roots for fuel in Chihli Province.

slopes where the going is rough. Some statistically minded person might estimate for us the millions of laborers which would be required to water the hundreds of millions of trees which would need to be tended, if China's barren hills were to be clothed with verdure. Evidently the numbers would be much too great for the present, or even the potential, resources of the country. And even if huge resources were available and the project were undertaken piecemeal, it would require a great many years to achieve results which could hope to affect the drought problem, assuming that the planting of trees in this back country would result at all in a more dependable rainfall.

Added to the discouraging features mentioned above is the present attitude of the Chinese people toward trees. The political and economic conditions in China have created a background of absolute disregard for forests on the part of the population. We are told by the scientists that the country was once heavily wooded, but with the passing of centuries the people slowly demolished the trees, until now the northern part of China proper is barren of wood. It must be recognized, therefore, that the basic concepts of the inhabitants must be changed if the tremendous task of replacing the trees is to be successfully carried out.

With good government and the proper respect for authority it is possible that the present practice of the farmers of destroying the young trees before they reach a size to make them economically profitable could be prevented. But until they are permitted to grow to such a size, it is quite hopeless to expect to have forests which will produce any effect on the natural features of the country.

One should have a great deal of sympathy for the farmers, however when it is understood that, with their small economic reserve, times occur with considerable frequency when their resources must be sacrificed simply to prevent starvation. In the winter of 1925 the writer made an inspection trip over the area of Chihli province which had been inundated by the summer floods. The run-off in this region between Paotingfu and Tientsin is slow and the countryside was a vast sheet of ice. Not a blade of grass or a twig was visible for many miles in every direction. Straw, kaoliang stalks, and grass roots, which are the usual fuel supply, were covered and the people had not sufficient even to cook their food. In this region there were no trees except a few which were planted along the main south dyke of the Ta Ching River. These presented a sorry spectacle for they had been literally torn to pieces by the distracted farmers. Branches had been pulled off and in some instances the trunks of the larger trees hacked by some rude implement in a vain effort to fell them. The smaller ones were broken off three or four feet from the ground. These trees had been carefully reared by the dyke officials to strengthen the embankments and to furnish logs for flood control works, but they were destroyed by the people in spite of all the officials could do to prevent it.

But the officials do not always do their best to preserve and encourage forests. In the present disordered state of the country even the so-called government forces whose duty should normally be the protection of the trees are often the first to destroy them. The writer was forcibly impressed with this fact on a recent trip to Hsi Ling where he saw the military systematically cutting off the old forests which have been maintained for hundreds of years about the tombs of the Manchu emperors. It was explained by some of the soldiers there that they were members of a "forestry" regiment and that they had been stationed there to look after the trees, but that they were cutting and shipping out some of them to defray their expenses.

Must Turn to Engineering

From the above it appears that so far as the prevention of drought in China is concerned, forestry cannot be a telling factor. Therefore, we must turn to other fields, and the one which most obviously holds possibilities for immediate results is water conservancy through engineering.

Irrigation in China is of two distinct types; by gravity from streams and by pumping from wells. Of course, in the bad drought years the wells dry up and many of the rivers as well. But normally when the rains fail there is ample water in the ground and in the streams to provide moisture to a large proportion of the low country, if means can be devised to get it on the fields.

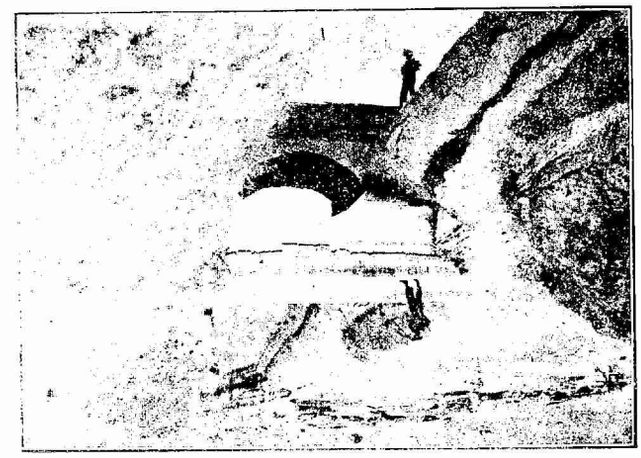
Both types of irrigation mentioned above have been practiced by the Chinese for many centuries. There are the remnants of two large schemes which probably antedate any other similar works in the world which are still functioning; one is the project which provides water for the Chengtu plain in Szechuan and the other is the Shensi irrigation scheme. Both of these utilize water from streams where they emerged from the hills and carry it to the farm lands by gravity; and both of them were perfected prior to the Christian era. The watering of the crops from wells is also widely practiced in North China, the pumping being done in some cases with the aid of animals.

The West, therefore, has nothing new in the theory of irrigation to offer to China, but modern engineers can assist materially in making these Chinese methods more effective; for instance, by making possible the construction of higher dams and by the introduction of power driven pumps of greater capacity.

A new Yangtze River dyke built by the Famine Commission in 1925.

There are many schemes which are awaiting the engineers attention and as funds are available they should be undertaken as famine prevention projects. These include not only works which would take water from streams where they emerge from the highlands, but surveys to determine the water table in the lowlands. There are many districts where irrigation from wells might be practiced but the people are not aware of the fact. Demonstrations of the practicality of digging slightly deeper wells often give a tremendous stimulation to irrigation in such localities.

It has been suggested that water may be taken from the larger rivers at points far away from the hill country by means of syphons. This is a question which the writer believes is worth investigating. It will be remembered that most of the large rivers of North China maintain a water level between the dykes which is several feet above the surrounding plain and in most cases even the bed is higher than the country outside. The Yellow river bed is as much as thirty



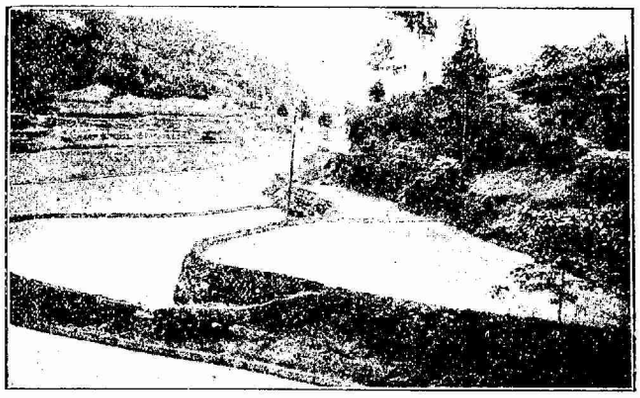
An old canal of the Shensi Irrigation Scheme built two thousand years ago.

feet above the plain in some places. It would therefore be perfectly possible to take water out of these streams and over the dykes by means of syphons. The places for such outlets would need to be selected with caution in order to get proper fall for the water. Also, they would need to be located where the channel of the stream is stable. One of the greatest benefits of such a system would be the rich soil which would be deposited over the fields from the muddy river water. This would add to the fertility of the soil.

The Question of Floods

Forestry can do more for the prevention of floods in China than for the prevention of droughts. Even here, however, more rapid and effective results will come from engineering. The reason why China has so many floods is largely due to the lack of forests in the hill country which makes the run-off after rains very rapid and causes unusually quick rises in the water level of the streams. The barren hillsides are also easily eroded and a tremendous quantity of silt is carried down and deposited in the river beds. This builds them up and it requires the construction of dykes to keep the streams within bounds. The process goes on until a bad break in the dyke causes the river to seek a new channel then where the same process is repeated.

Forests greatly retard the run-off. Heavy precipitation is held up by the thick humus under the trees and the network of roots, and the water finds its way into the streams more gradually and after a considerable lapse of time. The same forces prevent the washing away of the soil with the result that the rainfall reaches the rivers without the burden of silt, which is the rule where the upper catchment basin of the streams are not wooded.



The Chinese have practiced irrigation for centuries. Terraced rice fields in Szechuan Province.

However, it must be realized that there is a limit to the beneficial effects of forests on the flood problem. Europe may be considered a forested area when compared to China, but floods still occur there, serious floods. In the United States, on the other hand, a depletion of the forests has been in progress for many years, but floods have become less and less frequent. The reason is to be found in the work which has been carried out by the engineers in the control of the streams along their lower reaches.

With conditions as they are in China today it is necessary to undertake river conservancy first, for flood control works have been allowed to deteriorate during the political disorganization of the past few years. The present dyke systems must be maintained, for there is a constant yearly flood menace which can only be held at bay by this means. Next, modern engineering projects should be undertaken to supplement or replace the present antiquated works. These scheme, include the straightening and constriction of rivers between well built and well protected dykes; the digging of cut-off channels to carry excess flood waters to the sea; the reclamation of land, which is now unserviceable, by means of drainage and dyking; and the construction of storage reservoirs which will take up unusual rainfall temporarily to prevent flash floods.

A concrete example of the immediate benefits of engineering projects can be seen in the Hwai Conservancy Scheme. At an estimated cost of $12,000,000 an area as large as Belgium can be rendered safe from the inundations which now occur with alarming regularity. It is estimated that the Hwai river floods severely, on the average, once every five or six years and lesser inundations occur every two or three years. The reason for this is that the bed of the Hwai was usurped by the Yellow River about 600 years ago. The Yellow River carries quantities of silt and its channel was slowly built up until the Hwai could no longer follow its old course. Now it has an outlet to the sea only through a chain of lakes which have been formed and the Grand Canal and Yangtze River. When there are heavy floods, this avenue does not provide sufficient capacity and a tremendous area in Kiangsu and Anhwei is inundated. The solution is the digging of a new outlet channel to the sea. As the crow flies, this is a distance of approximately 80 miles.

In a memorandum on the Hwai River published by the Commission for the Readjustment of Finance in 1925, it is stated that the total yearly gain in the value of reclaimed land and the insurance of crops against floods would total more than $1,000,000,000 Chinese currency. This is the largest and most pressing flood problem, but there are many others where the application of modern engineering would result in immense increase in the food supply of the nation—and that is what is needed to prevent famines.

It therefore appears that while those who are working diligently to promote forestry in China should be given every encouragement, the reason advanced for such a course should not be ascribed to a desire to prevent famines. Forestry should stand on its own merits of improving the economic status of the nation and providing the wood which is so desperately needed both for fuel and for the provision of lumber for China's coming industrial expansion. There are too many much more pressing problems in the famine prevention program which are yet unsolved to inject forestry as a major issue for many years to come.

New Naval Construction by The Powers

The following table shows new naval craft either appropriated for or actually laid down by the various Powers since the close of the Washington Conference on February 6, 1922:

Type	United States			British Empire			Japanese Empire			France			Italy(f)		
	Laid Down	Appro for	Total	Laid Down	Appro for	Total	Laid Down	Appro for	Total	Laid Down	Appro for	Total	Laid Down	Appro for	Total
Battle ship	...	...	..	2	...	2	...	...	...	...	...	...	...	...	...
Aircraft Carriers, 1st line	2(a)	...	2	2	(b)	2	2 c)	...	2	...	1	1	..	...	...
Light (Modern) Cruisers, 1st line	...	2	2	7 d)	4	11	12	...	12	5	1	6	2	...	2
Cruiser Mine Layers	...	...	...	1	...	1	...	1	1	...	...	...	...	...	...
Destroyer Leaders	...	...	...	...	...	...	...	...	...	6	3	9	...	...	...
Destroyers	...	...	...	2	...	2	24	11	35	18	4	22	16	..	16
Submarines (all classes)	1	2	3	3	...	3	19	11	30	23	9	32	12	..	12
Gunboats	...	6	6	...	4	4	4(e)	...	4	...	...	...	...	...	...
Mine Sweepers	...	...	...	...	...	...	6	...	6	...	..	..	9(g)	...	9
Submarine Tenders	...	...	...	...	...	...	2	...	2	..	.	.	...	...	...
Tankers	...	...	...	...	...	...	3	...	3	1	...	1	4	.	4
Supply Ships	...	...	...	...	...	...	1	...	1	..	..	...	...	...	...
Totals			13			25			96			71			43

a) The *Lexington* and *Saratoga* were authorized by the terms of the Washington Conference to be converted into aircraft carriers, and are included in these tables

b) Tables does not include one aircraft carrier (of about 6 000 tons) being considered by Australia

c) *Akagi* and *Kaga* were authorized by the terms of the Washington Conference to be converted into aircraft carriers, and are included in the tables

d) *Emerald* and *Enterprise* were laid down prior to conference and are not included in these tables.

e) These are river gunboats.

f) No definite information concerning building program under consideration.

g) Are both mine sweepers and mine layers.

PROJECTED BUILDING PROGRAMS OF POWERS
(Additional to Ships Building in Preceding Tables)

BRITISH EMPIRE:	Five-year program—nine 100,000-ton cruisers: seven 8,000 cruisers; twenty-seven first line destroyers; twenty-four fleet submarines; five gunboats; four patrol vessels; two submarine tenders; one repair ship; one net layer.
JAPANESE EMPIRE:	Five-year program—(Note: Following program proposed by Japanese Navy Department. It is believed that a cut will be made by the government in this program, or a compromise reached, because of the financial depression existing in Japan)—four 10,000 ton cruisers; twenty 1,500 ton destroyers; ten 1,500 ton fleet submarines; three gunboats; one aircraft tender; two special service ships
FRANCE:	Five-year program—three light cruisers; eighteen first line destroyers; fifteen destroyer leaders; two mine layers; two fleet submarines; twenty-one first line submarines; six first line mine layers; two fleet submarine tender.
ITALY:	Propose—under consideration—three light crusers; eight first line destroyers; eight submarines

The Chinese Enigma

BY W. J. HAIL

(*From the Yale Review*)

THE dramatic experiences of the last year have brought us again face to face with the baffling question of China. When the smoke cleared away from the shots on Nanking Road, China and the West were found glaring at each other across a wide chasm of acute misunderstanding. That so slight a cause should have produced such instant and profound results reveals the need for a rapid readjustment of traditional relations before the chasm becomes impassable.

For the moment, the chief point of strain is the controversy over the treaties between China and the Western powers, which in many ways bound China without a corresponding limitation on the other side, particularly in depriving China of tariff autonomy and placing foreigners out of reach of the national government through the obsolete principle of extraterritoriality. These, however, are but factors in a wider and more complicated series of problems that begin and end in the need for China and her neighbors of the West to find a way to live together on good terms.

Of the important factors in the present unrest, one is that China, which only yesterday boasted of its superiority to the outside world, has, through a humiliating train of shocks from outside, suffered the stigma of inferiority. The nation has been touched on a raw nerve by being regarded as an inferior, treated as an inferior, and loaded down with the penalties of an inferior. The fall from so high a place to such a low place in the world's esteem has now brought about a revulsion of pride and anger, especially against the foreign treaties. Although they were made two generations ago, the hostility towards them has only lately broken out because of a second factor in the situation as it stands to-day—namely, the strong nationalism that is arising in the hearts of all thoughtful Chinese amid the chaos and disintegration of government and the humiliations from abroad. This is a sensitive and militant nationalism, enlightened enough not to use foolish weapons, but powerful enough to sweep aside many principles which once seemed fixed and eternal. Together these two factors have conspired to bring about the sudden impatience for treaty revision and for shaking off all forms of foreign control. Some of the Chinese demands seem entirely impossible in the light of facts as they are, but their origin in these two great emotions gives them a moral argument that is very hard to answer. So far as the true causes of the current Chinese trouble lie in these treaties and in relations flowing from them, their revision will undoubtedly go far towards relieving the strain that is now felt.

The Psychological Warfare

Is it easy to underrate the intensity of a psychological warfare like that which for weeks suspended Japanese and British trade, and exposed many important centres of foreign residence to the danger of furious mobs? Can one withhold sympathy from those thousands of progressive young Chinese, trained in modern schools at home and in the West (where they have sometimes taken the prizes away from our own people through sheer merit in fair competition), who ask us to restore to them the privileges surrendered when an alien dynasty was on the throne? These privileges strike at two of the most esteemed attributes of sovereignty—mastery over all who reside in the land, and freedom to control the taxes.

The need of finding a way out of the present clash of Chinese sentiment and the policies now in force presents a serious challenge to Western statesmanship. For if China's sovereignty is damaged by the present treaties, it is no less true that a sudden change will imperil many foreign interests which in all good faith have been built on the treaties. Any solution of the problem that is made will entail danger; either it will not go far enough to meet China's wishes and will therefore add to the present strain—perhaps even to the extent of making China turn Red—or by going too far, it will, to put it figuratively, discharge the patient from the care of the doctors before he is cured. This sobering thought has led to much discussion, not alone in political circles, but in whatever enterprises Chinese and foreigners are thrown together—business, missionary endeavors, educational and medical work, social service. On the one hand, the question arises whether Westerners are not too prominent in all these relations; do they strike attitudes of superiority to the Chinese, and so create antagonisms which jeopardize the economic, intellectual, or social peace and goodwill between themselves and the Chinese? On the other side there is the question whether, if they subside, these enterprises, many of which imply great changes in Chinese methods, will be carried on at all, or if so, whether they will be adversely affected by Chinese lack, of experience. These are matters that are being discussed wherever foreigners meet in China, or wherever they come together with Chinese; and it goes without saying that they are hotly discussed among the Chinese themselves.

History is being re-read and summoned into court by both Westerners and Orientals, to bolster up a thesis: the one view is that it is China's stubborn pride which has alone brought the country to the dust; the other, that outside aggression alone, or chiefly, has caused the trouble. The true historical judgment is that, without doubt, both sides have endured and offered wrongs, but that the Chinese have suffered while outside nations have profited by the conditions which arose. Unfortunately, propagandists in each group have distorted the indelible facts of history by misinterpretations which throw all the blame on their opponents, and by attributing to conscientious actors in the unfolding drama evil motives where actually these were good. But the way out of this situation will not be through emotion encountering emotion, because in the process more heat and friction would be engendered and more explosions would follow. Nor will sentimentality solve the problem, because matters cannot be smoothed over by sidestepping unpleasant but solid facts. No solution will suffice that is not based on a realistic view of what is right.

Assuming that China is justified in its contentions and that the foreign treaties will be altered to its entire satisfaction, will the nation forthwith start on the upward road of sound progress—can it be expected to do so in fact? If the treaties were the cause of the present backwardness, of course it should go forward when they are rewritten. But are the treaties the cause or the result of inequalities between China and the West? If the latter is the case, their alteration will only serve to allay the irritation caused by their one-sidedness. The only certain cure would be to do away with these inequalities; and this could come about only by a transformation from within.

Without attempting to estimate the value of China's civilization to the world, we must recall the fact that for centuries this civilization was static. In the West, however, during the centuries lying between the Renaissance and the Great War, European peoples not only regained the level of the ancient culture, but forged far ahead in a series of revolutions, intellectual, religious, political, industrial, and social, which carried the human race far beyond anything hitherto achieved. Whether this progress has been too rapid for the moral forces to keep up with, and whether, therefore, inevitable destruction awaits it as it crashes on, is a consideration to be left to the prophets. But just now, when the two cultures of East and West meet, there is a painful contrast in some of the things which we deem to be essential. Nor are these contrasts merely on the material side. In the practical application of ideals, the political and social structures in the West show more signs of progress; those of China are cruder. And Chinese sanctions are falling to pieces wherever they are brought into contact with sanctions from outside; thus it appears that there is a serious maladjustment between them and modern needs. Failure to understand that this disintegration is due to the power of the foreign culture, and not simply to the wickedness of the foreign "oppression," has led the Oriental to desire to get rid of the latter while permitting the former to remain and supplant the older arrangements.

China's Heritage from Past

When one considers the difference of environment and background between Chinese and outsiders, one realizes that there is not so great a gap between the two as between our own present and the "dark ages" in Europe. It is a question rather of the difference that lies between the culture of to-day and that of the Byzantine Empire, or that of Baghdad in the days of Haroun al Raschid. As everyone knows, China has a glorious heritage out of the past and has attained many solutions to questions which still baffle other parts of the world. Perhaps no other group of people scattered over so great a space have worked out the problem of living together as the Chinese have. There is in them a toughness of race cohesion that has carried them through more centuries than any other group. Again, perhaps no other population lives so well on such limited resources and under such chaotic governments.

Yet these admirable people are now being oppressed with a form of bad government which in the long run will have to be reformed, or it will bring them to ruin. In most of the advanced states of the West, it is a well-understood ideal that "public office is a public trust," and that there must be a large amount of personal liberty under laws that are fair equally to the poor and rich, the high and low. Our aim is to preserve the inviolability of the law and the independence of judges. In China, corruption is so common that only an incurable optimist hopes that it can be driven out. Until the revolution, office was bought and sold openly, and despite the hopes of the reformers, the situation in this respect has been even worse since. The story of the military struggles since 1911 has been one of corruption, illegal taxes and levies, treachery between generals, banditry and a general lack of law throughout the provinces. Many families, formerly well-to-do, have been brought to beggary by the lawlessness of bandits or wandering soldiers; or else they have removed themselves and their belongings to the foreign settlements.

Last winter it was the work of many weeks in the city of Changsha to unite two committees for famine relief. The international committee, in spite of the dire need, hesitated to cooperate with the native organization until proper arrangements were made for auditing the accounts; all because something over a year before they had entrusted two hundred thousand dollars to Chinese political agencies for flood relief, and the entire sum disappeared—who knows where? Such unfortunate occurrences are at present normal, not unusual. To be sure, all this miscarriage is contrary to the teaching of the sages of China and is opposed by the people. But the steady break-up of the state into what amounts to feudal divisions, and the need for soldiers and still more soldiers, result almost of necessity in whatever methods can be used to squeeze out the needed money, even to restoring in full force the opium evil which was once nearly eradicated. Yet, in return for all this suffering, for the still more personal suffering from the press-gangs which at each petty civil war carry off laborers from their homes, and for the untold wrongs endured by women and girls at the hands of the soldiers, what is given? What, indeed, but the least amount in benefits that any modern nation provides? Looking back over the fourteen years since the revolution, it is easy to condemn the facile optimism which thought it possible for China to leap from paternal monarchy to parliamentary republicanism without traversing the intermediate steps of national unity and popular control with popular education as a prerequisite. The removal of the visible symbol of unity opened the path to chaos, and it is now all but impossible to secure any common action except against outside aggressions.

The Flight of the Defeated

Parties have sprung up, but there is no fund of experience in carrying on party government. Defeated leaders have had no recourse but to accept foreign hospitality or go to prison. The overthrow of a general or a president almost inevitably spells flight. The lesson is still to be learned that the ballot and not the bullet should be the final arbiter in an ordered modern state. Bandits to-day, soldiers to-morrow, soldiers to-day, bandits to-morrow—thus the whirligig moves, giving to the country an aspect of mediaevalism which in Europe has passed into romance, but which in China possesses none of the glamour of distance in time or space.

It must not be supposed that the Chinese peasants feel the full force of this misgovernment. Here is the brightest spot in the picture. The moment one leaves the city behind, one steps into a comparatively free and well-ordered rural community where local co-operation supplies the place of government. The fact that the government does little for the people is chiefly of importance to the city groups and the merchants. The iron law of custom still holds the villages to the same arrangements which have prevailed for ages. To the limit of their resources, the villagers come together to carry on all the important matters which concern them. Settlement of quarrels over boundaries (if not too serious), divorces, care of roads and bridges, protection against robbers, the proper sacrifices to the divinities of the soil—such tasks as these are undertaken by them. So far as it reaches, this type of village control is proving most effective. But for the broad needs of the highly organized modern state that China is in process of becoming, it is much too primitive.

Again, in industry China finds itself far behind the West. The hand loom and the spinning wheel have not disappeared from the remoter towns and villages; the gilds are still strong; handicrafts with small shops, where the proprietor works among the apprentices and journeymen, color the larger part of the picture. Except in the big cities, there is but the most rudimentary organization of a banking system to help commerce; remittances can be made, but with great difficulty. The money system, though much improved during the last few years, still continues to be uncertain, because, apart from the silver dollars and the copper coins, there is no universal medium of circulation, and even these two types of currency move up and down in terms of each other.

At the same time, the great quantity of man power and raw materials is attracting foreign capitalism to the cities, and foreign capitalism is bringing with it an army of vexing problems. These problems are peculiarly difficult in China, because of the suddenness of their approach, which has been quite unlike their gradual invasion of Europe. Here perfected machines and millions of dollars of capital have come almost overnight into a country unprepared either in understanding of the issues or in strength of government to control them. It is because of this situation that the whisper of Bolshevistic propaganda meets with such a response. Venality in government, which has pledged so many of China's resources for loans—loans benefiting the officials chiefly, the people not at all—seems to have brought in the capitalistic foe, whose depredations appear to impoverish the Chinese in order to enrich the outsiders. Is it any wonder, then, that young China hates the capitalism of the West and swallows the specious bait of the communists?

Here, again, we face a serious danger—the danger, that by playing with the fire of communism, which is alien to Chinese traditions, the radical elements in the population will deliver China to an economic and social revolution before it has passed through the intermediate steps of democracy. The effect of such an upheaval on the peasant might be negligible, as in the case of the political revolution; but it would be, in general, a calamity to a people already suffering from an incomplete political revolution and in dire need of all the paraphernalia of modern economic and industrial organization.

In certain economic directions, the beginnings of modernization have been made. In the foreign settlements particularly, there are both Chinese banks established by well-trained young men from abroad, and foreign banks. There are also the beginnings of joint stock companies in such well-conducted organizations as the China Merchants' Steamship Company and the Commercial Press. Delivered from the fear of political oppression and illegal exactions, such aggregations of capital would naturally increase and spread to the interior; but present-day conditions and fear of the future keep capital in hiding or in foreign concessions. Thousands of men in China educated in the West are seeking opportunities for developing mines, railways, steamship lines, manufactures, and all sorts of commercial enterprises, but they vegetate to-day in the large cities, because no one dares to launch these enterprises, knowing full well that they will meet with disaster through unjust officials.

Those who are asking for the abrogation of extraterritoriality on the assumption that foreigners will lose nothing by it in the law courts, because even military officials will not care to risk offending foreign governments by coercing the judges, are more hopeful than the facts would seem to warrant. So far as the Chinese themselves are concerned, the law courts can be endured because the minor matters that affect the everyday life of the people are generally settled out of court in the village organizations. Moreover, it is only fair to say that there are to-day numbers of well-trained lawyers and judges, who—in cases where none of the higher officials is concerned—render fair judgments. No one would dare claim, however, that, generally speaking, there is such a thing as an independent judiciary, and certain experiences of Russians who have fallen into the hands of Chinese courts do not reassure one. The Germans appear to have fared somewhat better; but, if the facts are as reported, in some of the cases which were clear enough a judgment could not be secured from the court because interests of men "higher up" were involved. Practically all the advanced nations of the world are better off in this regard than China. Naturally, the Chinese resent the thought that through consular jurisdiction foreigners are now excluded from the operation of Chinese laws; but if China expects to enjoy future contacts with other nations on terms of equality, it will be necessary for the country to go a long way forward in setting the judges free, providing modern codes of law, and giving the courts power to restrain the executive branch from illegal actions.

Backwardness in Education

Another activity in which the Chinese are far behind the West is education. In the days of the Empire, an admirable system of public examinations existed which, after the opening of this century, gave place to modern schools. China was scarcely prepared for the sudden change. Yet the progress of the last twenty-five years has been little short of marvellous. Everywhere schools have been introduced which flourish in spite of the general lack of development in political and economic organization. Of necessity, the higher branches of education in China have chiefly been provided by the few missionary colleges. But to-day a number of colleges and universities are capably managed and staffed by Chinese, enabling students to take their entire course under native direction.

Nevertheless, education as a whole is in a backward condition. Teachers are too few; the substitution of science for the old classical curriculum has accentuated the want of good instruction; a lack of text-books and reference-books in Chinese has rendered necessary the study of foreign languages as a medium of instruction, thus laying educators, especially foreigners, open to the charge of denationalizing the student. Fortunately, good text-books are being written for use in the lower and middle schools, and technical terms are being created by a revolution which is transforming the language. But the day is still in the future when the knowledge gained from the West will be thoroughly naturalized in China. Until that day arrives, more or less agitation is probably inevitable against the "cultural invasion" of the West.

If the substance of education is not yet naturalized, the discipline of a modern school is still less so. The present generation of students—the first to awaken to the knowledge of China's reputation and to feel the sting of it—quick

to discover the limitations of the instruction given them and to resent it, and inheriting a tradition which placed scholars and students in a privileged class at the top, now constitute one of the most serious problems in the whole field. Industrious and energetic though they are, students as a group have come to feel an overpowering sense of their responsibility for reforming both the schools and the entire face of society. Strikes against teachers and administrators are for them the first recourse instead of the last, and their method of protest in even the most trifling matters.

Towards the end of last year, a serious situation calling for martial law was brought about in a certain provincial capital through the expulsion of a few students for insubordination. Strikes occurred in two or three schools, and the student union of that city made demands on the commissioner of education which, if granted, would have placed the responsibility for managing everything but the raising of funds in the hands of the students. Fortunately, the governor proved strong enough in this case to bring the students to terms, but the national student union has recently voted to work to the ultimate end that students shall dictate the policies of all the schools in China. How far they will go in that direction depends on the strength andwisdom of the government and of the students themselves.

Students as Politicians

More serious than the disorder they have caused within the schools is the activity of the students in the political world. Their first interference in politics on a great scale was in connection with the Treaty of Versailles in 1919 when they protested against the award of Kiaochow to Japan. Since that time, scarcely an act of the government has failed to draw some amount of fire from them. So far as they are moved with a sense of patriotism, they cannot fail to win sympathy from all who admire patriotism; but much too often they display a shocking lack of wisdom, which leads to actions that are destructive of the very ends they seek to attain. They are a source of alarm to some of their own more conservative leaders and to Chinese educators. These men, inspired by equally patriotic motives, feel great concern over the undisciplined group of youngsters who, under the guise of patriotism, refuse to take examinations, claim numerous holidays, and keep the school authorities in a constant ferment; for, as many say with justice, what kind of citizens can come from so wrong-headed a generation?

But perhaps most serious of all is the eager support which all kinds of specious causes secure among the student groups. In the anti-imperialist and anti-Christian movements, in the boycott of foreigners last year, in the advance of communistic activity students and their unions have been at the front, pressed from behind by radical groups. Not alone do the foreigners suffer from them, but governmental agencies must be constantly on the alert to keep student activities from playing directly into the hands of the subversive elements in society. In a number of recent troubles, the connection between the apparently spontaneous student disorders and the communists was very close; large sums of money that have come into the coffers of these groups have been traced almost directly to Russia.

Two years ago, nation-wide demonstrations were planned by the anti-Christian students for Christmas day. In Changsha the secret service men reported to the governor that the apparently innocent parade which was being organized there was to be used by some of the violent groups for bringing about a massacre, in order to make trouble for the government and hasten the "people's revolution." During the spring of 1925, Christians reported to members of the National Christian Council that plans were afoot to attack missionaries and that bloodshed would almost certainly ensue. These rumblings preceded the Shanghai incident. Hard upon that event, Changsha was like a hive of angry bees, and students went about everywhere stirring up anti-foreign feeling, which, but for the vigorous enforcement of martial law, would probably have resulted in bloodshed, and certainly in the destruction of foreign property.

Last December, in a procession to express opposition to any tariff agreement which might be entered into by the Peking government, communists worked among the students, inciting them to start fires here and there. Red leaders tried to mass the procession in front of the governor's *yamen* and force the students inside, hoping apparently to bring about what actually happened later in a similar procession at Peking in March—the death of some of them at the hands of soldiers, in order to stir up revolution. Along the line of march, hand-made placards on the walls advocated not only the overthrow of imperialism and tariff autonomy, without reference to the conference then in session, but also the downfall of militarism and the success of the proletarian revolution.

Demonstrations were planned for Christmas against Christianity, but were held within bounds by the governor. On the anniversary of Dr. Sun Yat-sen's death, March 12 of the present year, a great procession shouting for revolution was carefully watched by the military authorities. A little later, news of the "murder" of students before the presidential palace in Peking set in motion another sympathetic parade in Changsha not merely to protest against this, but to denounce all militarism, all foreign aggression, all hindrance to the people's revolution. Numerous seditious placards appeared and some disorder occurred. Everywhere in China, the turbulent students, coercing the more level-headed by the appeal to patriotism, are firebrands through whom danger is constantly threatened..

In the most recent demonstrations, however, a gleam of hope has appeared in the fact that many schools have refused to participate. If this indicates that the students are awakening to the sinister tendencies of their more radical leaders, the break will be widely acclaimed. A more positive indication of this change in student attitude is seen in the appearance among them of a society which espouses the ideals of the Italian Fascisti. A widely read student journal has become the organ of this movement.

The inroads of communism in China are, nevertheless, very serious. Despite the assertion of observers that the new government at Canton is giving the people of that city better government than the rest of China enjoys, Canton is, for all practical purposes, regarded as outside of China. Its "warfare" against Hongkong, with illegal picketing, arrays the Westerners against it but attracts, and is, in fact, much inspired by, the Russians. General Feng in the North has long been regarded as a tool of Soviet Russia, the encomiums of his admirers to the contrary notwithstanding. Undoubtedly, his army has been one of the most orderly forces, but his policies have linked him up with Canton and with Russia. This gives his cause and that of Canton much favor in the eyes of the vocal element among the students. They are wildly denouncing the opposing generals, Wu Pei-fu and Chang Tso-lin, whose announced policies are anti-communistic, as slaves of the imperialistic Western countries, and as "running dogs of imperialism." But as long as these two men remain in the ascendant and work together, they will keep the radicals in check. Pessimists freely predict that these two, like oil and water, can never unite, and must soon clash. In that event, radicalism may again come to the fore.

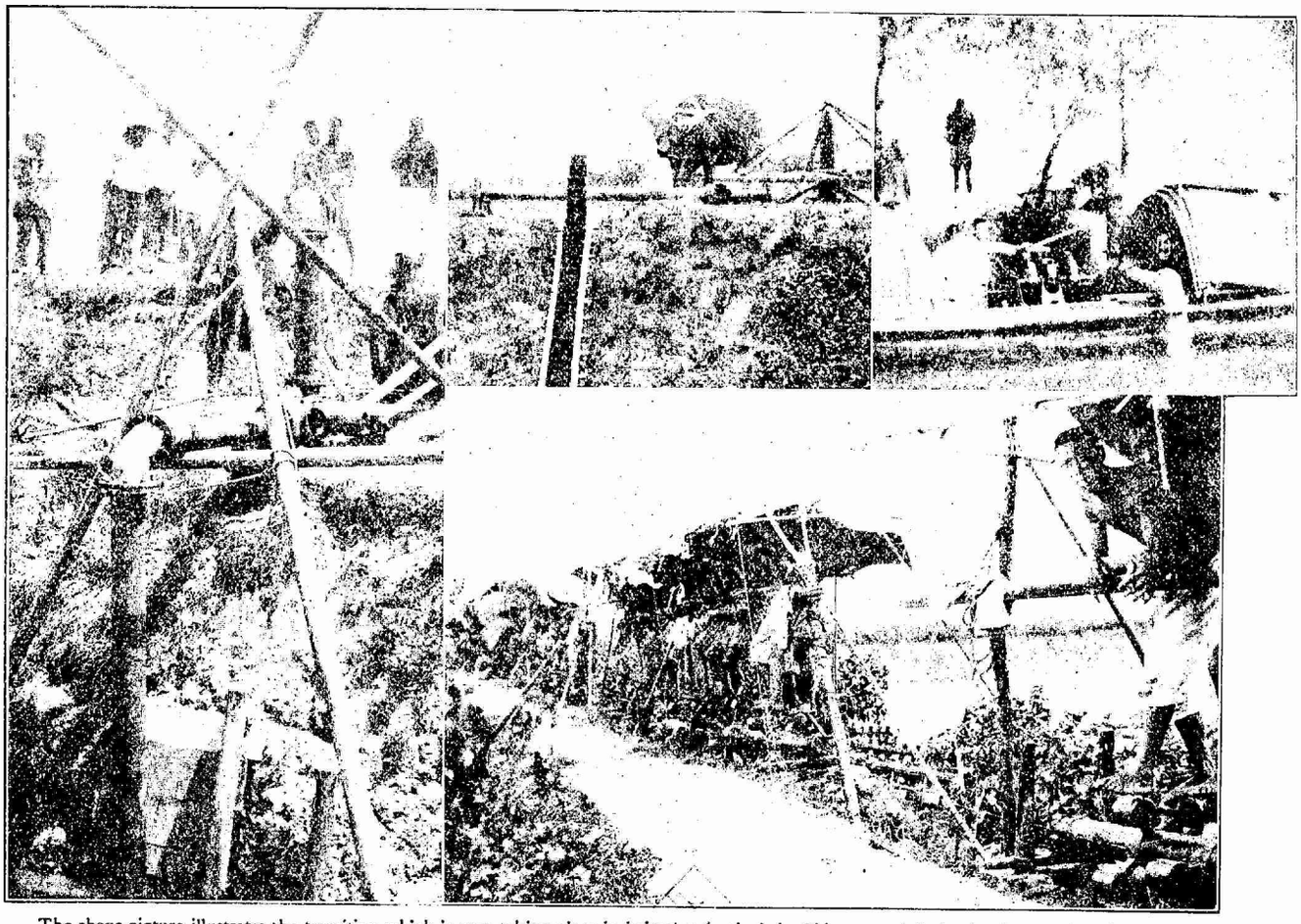
The Hopeful Elements

Merchants, peasants, and gentry—including the better balanced of the returned students—form the hopeful elements in the situation. The last named have always had much power, and were civil government not submerged by militarism, they would be very powerful still. The peasants, however, form a compact and conservative mass which will for some time to come prevent the radicals from putting their advanced theories into practice. But their ignorance will, in the absence of popular education, long prevent China from achieving a genuine democracy. The merchants, under the guidance of Western-trained men, would rapidly bring the country forward economically if they were free to organize and carry on their operations without the interference of the soldiers and the oppressive and illegal taxes. In spite of these great handicaps, they are doing more than would most others of their class if similar conditions prevailed in other lands. China needs to tread the road Europe has trodden and develop a strong middle class in this merchant order. The success of Chinese enterprisers in other lands under strong government shows what may be hoped for when they have a chance at home.

And all this brings us back to the point from which we set forth. Are the treaties really the cause of China's present condition, and will their revison help matters? Mr. C. T. Wang stated in a magazine article, which appeared on the eve of the tariff conference, that the chief gain which would accrue to China through the grant of tariff autonomy would be the satisfaction of having recovered a sovereign right, practically nothing more. Likewise, with the doing away of extraterritoriality, China would gain a similar satisfaction. Though this may be profitable so far as good feeling is concerned, only the future can tell whether the cost of such a satisfaction will be the ruin of foreign trade and the departure of those outsiders who cannot live and carry on their enterprises under the restrictions which may be expected, The condition of foreigners in Turkey since the abolition of the Capitulations, her loss of trade, and her losses in prestige, all suggest that something of the same kind would be the immediate price of saving China's face.

Even if none of these misfortunes occurs, China will still have a hard race to run with the rest of the world, and will labor against heavy odds. There is no sign of the strong man who is to lead the nation to its distant goal. Moreover, what leaders China has not only fail to measure up to the need, but bid fair, in their present eagerness to seize control of their own country and of the schools and other enterprises built up at the cost of much sacrifice and devotion from across the seas, to lose a great deal of valuable help. Perhaps there is no way out except through the hard school of experience. And who knows, after all, whether the Chinese may not rise to the occasion?

China Rapidly Discarding Ancient System of Irrigation



The above picture illustrates the transition which is now taking place in irrigation methods in China, especially in the rice-growing districts. At the left is a modern centrifugal pump lifting water 20 feet from a canal to a rice field and doing the work of a dozen men. Top center is a water-buffalo operating old-style water wheel. Top right is a modern pump operated on a boat which moves about the canals supplying water to the rice-farmers. Bottom right is a picture showing the old man-power style of pump which has been used in China for centuries.

Chinese Farmers Discover the Modern Pump

BY JAMESON Y. CHANG

CHINA is beginning to realize the advantages of power irrigation. China is an agricultural country, therefore the irrigation problem is a vital thing to her. Canals run everywhere in the rice producing territory, but in order to fight against the drought, some means must be provided besides human and animal power.

Engines and pumps were introduced to the Chinese farmers about five years ago. They were quickly adopted to the fields, and up to the present, it is estimated that over 1000 pumping sets are ultilized for pumping water for irrigation in towns and cities along the Shanghai-Nanking Railway. Mechanical power is cheap, with higher efficiency, and capable of lifting large quantities of water in a short period of time.

Most of the pumping units are only about 2 to 8 h. p., and the prime movers are kerosene engines, and larger units up to 50 H. P. are driven by crude oil engines. Pumps are principally of the centrifugal type. The quantity of water lifted depends on the head, or in other words, depends on the height of the bank above the water level. Approximately, one 10 h. p. engine can do the work of 100 to 150 laborers working day and night.

Some other towns in Chekiang and Anhui have also used the new method with this year resulting in large crops, even though the rainfall during the first five months of the year was the lowest since 1892. The cost of such a modern pumpset is quite a big sum for the individual farmer, considering the small number of acres under his cultivation, yet some ten or dozen farmers may coperate to buy the machines. In other instances, several irrigation companies were organized to undertake to supply water at the rate of from $1 to $2 per *Mow* to their clients. The operating cost of the machine is only about one sixth to one fifth of that of human labor.

Sometimes the engine and pump are installed on board a small boat. This arrangement has the advantage of a low suction head, and the boat is capable of sailing about when the water is not supplied to one spot only. If they can get the pump they will know how to use them.

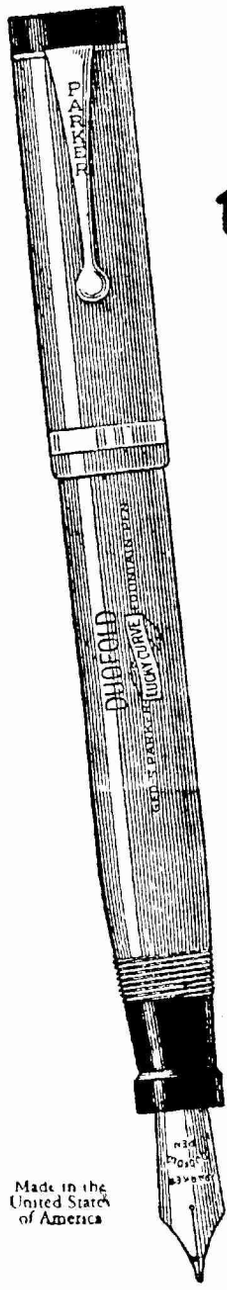
Chinese farmers are not difficult to train to operate such engines, and Chinese mechanics and engineers are now quite competant to manufacture the crude oil engines and pumps themselves. The most wide-known manufacturers of such pumps are the Sin Chung Engineering Co., at Pao Chong Road, off Tien Tung An Road, Chapei, Shanghai, who sold some hundred machines last season. This is the epoch making point in the Chinese history of Agriculture, and the modern irrigation method is the only way to increase the production of the fields with least labor and investment, and to solve the problem of population and food stuff.

Shanghai, December 2, 1926 J. Y. Chang

New British Minister Opposes Intervention

Miles W. Lampson, C. B., C. M. G., M. V. O., recently appo nted British Minister to China, in various addresses delivered in Shanghai while on a visit here last week, disavowed any intentions on the part of the British Government in the direction of political aggression at the expense of China. In an address delivered before a large audience at the Union Club on Friday, Dec. 3, Mr. Lampson declared that "this talk of intervention has not the slightest grounds or foundation and furthermore the talk of British imperialism is pure moonshine." Britain's chief interest in China is trade, stated the Minister, and explained that his present mission was to render every assistance possible to China in order that business might be resumed. Mr. Lampson was previously connected with the British Legation in Peking and has also had service in Russia and Japan. Prior to his appointment as Minister he was a Counsellor of the British Foreign Office.

After several days in Shanghai where he conferred with the leaders of British commercial and financial interests, Mr. Lampson departed for Hankow for an inspection of conditions before proceeding to Peking.



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Shanghai to Have "Big-Small" Money

BY GEO. W MISSEMER

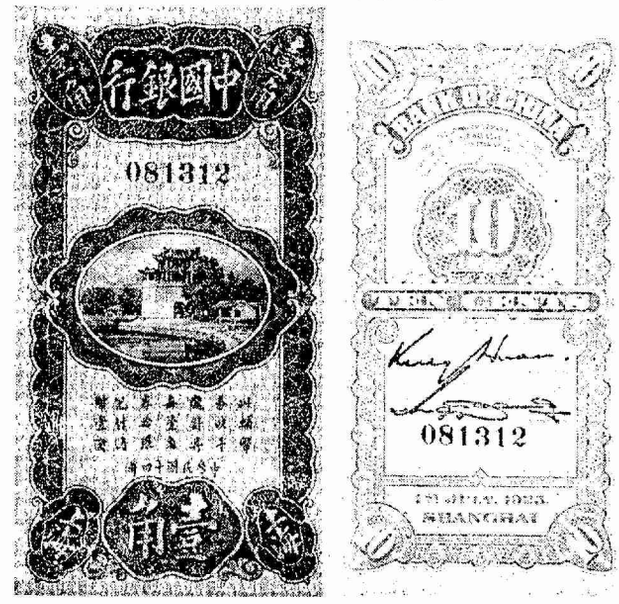
Great credit is due to the Bank of China and the Bank of Communications for introducing into the money market of Shanghai "big money" fractional currency. This statement will need a little amplification for the benefit of the reader abroad. Of all the mixed up things in this topsy turvy country nothing is in so sad a state as the medium of exchange. The money of China can hardly be called a system, and yet, curiously, during the Great War and following it, when the money systems of many foreign countries crumpled up completely, China's money was wonderfully stable. Prices of commodities generally did not vary here very much from their usual basis. Silver, which is the basis of China's currency, simply kept going up in price as prices abroad went up and the result was that the price of foreign products, translated into local currency, were pretty much the same as they usually are.

China's medium of exchange simply grew up, like Topsy, and the unfortunate part of the matter is that it grew differently in different parts of the country. In addition to this the matter has been complicated by the unfortunate circumstance that the coins which the great majority of the people use, that is, those representing sums less than a Mexican dollar, have not been either standardized or coined honestly, and the result has been that the unfortunate masses at the bottom have been compelled to pay lucrative percentages to hundreds of thousands of small exchange establishments. Exchanges of this character are in existence to a small extent in foreign countries for the purpose of exchanging money from other countries. But in China the running of exchange shops for exchanging the various kinds of its own country's money has always been, and is, one of the most lucrative forms of business. It is a brave thing that these two big Chinese banks are doing, and it is hardly too much to say they have introd iced an innovation which will go far towards bringing some semblance of systematization to the money of this great country.

Plainly put, this is the first honest fractional currency that has ever been introduced in China. Up until this tim the changing of a dollar has meant that the recipient has had to take debased coins. In the United States four quarters make a dollar and a dollar is the equivalent of four quarters-every schoolboy in America knows that. But in China every schoolboy knows that to attempt to exchange a dollar into its supposed constituent parts and then changing it back again means a loss, just as though it were an experiment in chemistry.

Up until last week, when these "big money" fractional notes were issued, the only way that one could get change for a dollar was to go to an exchange shop and accept debased fractional silver coins and copper coins. The amount that one got all depended on the rate, which apparently changes every few minutes. For many years storekeepers accepted odd amounts in this debased fractional currency, but as the

(*Continued on page 43*)



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Foreign Silk Firms and Chinese Producers

BY PAUL K. WHANG

THOSE who are familiar with the Chinese silk industry will readily understand that the exportation of China raw silk is made possible only through foreign silk firms. Hitherto, the Chinese producers have never tried to establish their own offices in foreign countries to sell their products, even though much controversy has occasionally arisen as to the inadequate and unsatisfactory services rendered by these foreign firms. The writer, having been personally connected with the silk trade, is in a position to discuss several points or differences which have been much talked about among the Chinese producers.

First of all, in times of business depression, the foreign firm which has bought silks on forward contract often uses every possible means to reject the goods on any slight pretext. Take a case which the writer knows very well, for instance. In February, a Chinese producer sold to a certain foreign firm ten bales of silk for May delivery. The price went down after that. At the time of delivery, he sent to the said firm ten bales as per contract. After two days testing, silks were rejected on account of their unevenness in size. He reluctantly delivered another ten bales. But five bales were still rejected owing to alleged uncleanness. When the transaction was complete, nearly one-week's time was wasted and twenty-five bales of raw silk had to be delivered for the selection of ten. The above case is not typical but rather general. No outsiders but silk producers themselves can realize the losses sustained annually on that account. The statement "Under the present system, we are unable to see the sky above" made by a Chinese silk merchant will bear some of the true sentiment prevailing among the Chinese producers.

Unsatisfactory Testing

Secondly, the result of the test made by the foreign firms is always final. When silks are sent to foreign firms, they are tested as to their winding quality, evenness, cleanness, and what not. Based upon these results, they take or reject the goods. When silks are rejected, the Chinese producers have no place to resort to for another test. To make the matter still more complicated, there is no uniformity in conducting the tests, as each firm has its own practice. It is not surprising to find that ten bales of silk after rejection by "A" company, may be taken by "B" company. To tell the truth, the Chinese producers have little confidence in the results of the tests made by many foreign silk firms. Up to the present time, the standing of the International Testing House has not been generally established as it should be, and its testing certificates have not been taken at their face value yet. I sincerely hope that a time will come when silks before sending to the foreign firms will go through different tests made by the Testing House, and that its results will be taken as final.

Thirdly, the cost of silk will be paid only after shipment has been made. Under this clause, the Chinese producers only get their goods paid by only sending the goods to the foreign firms; when payment will be made only after the cargoes are on board the ship. Some foreign firms tend to take advantage of this clause, and then do not keep faith with the Chinese producers. Take a theoretical case for instance. A firm was unable to pay the cost of twenty bales of raw silk which had been shipped already. Gradually it became public that the said firm was financially embarassed. It goes without saying that the Chinese producers may have a hard time to collect the money. It seems to me that every one of the Chinese producers will have danger of meeting such a similar happening unless, in order to safeguard the Chinese interest, a certain percentage of the cost of silk is paid to the Chinese producers by the foreign firms at the time when the delivery is made.

Also Abuse in Weighing

Lastly, there is much suspicion as to the weight of the silk weighed by the firms. As customary, silks are first sent to the foreign firms for testing. After the goods are approved, they will ask the producers or their representatives to be present to watch the process of weighing. It seems to be fair and just to both parties. But as a matter of fact, it is not strange to find that every bale of raw silk will lose from two to five pounds, I admit that in the winter seasons when the atmosphere is dry, the silk might lose weight; but this should never happen in the rainy seasons and summer time. This problem is always a puzzle to the Chinese producers. A friend of mine once told me that the Chinese employers of certain firms "squeeze" several skeins from each bale for their tips. I am sorry at hearing such allegations, but nevertheless it comes from a reliable source. It may be the key to this much-talked of puzzle, but I sincerely hope not. In

order to save the situation and win back the confidence, the foreign firms should advocate that silks should be weighed right after they come to their godowns. When this is done, the Chinese producers will have no ground of suspecting any more.

In conclusion, in order to develope the China silk trade, cooperation is needed between the Chinese producers and the foreign exporters. All grudges should be heard; and any differences should be patched up. Silk, being a substitute of cotton and linen, is no longer a luxury, but is a necessity in our daily life. Any problem concerning silk should be everybody's problem. Therefore the increase of the exportation of China silk to foreign countries will mean not only a profit to the Chinese producers, but also a benefit to the world as a whole.

China to Have "Big-Small" Money

(*Continued from page 40*)

debasement kept on increasing the shopkeepers united in self-defence and decided that a dollar really was divisible into one hundred cents. The mere fact that there were no real cents nor real ten-cent or twenty-cent or fifty-cent pieces didn't enter into their calculations. The customer had to pay the equivalent from his debased hoard, and as the necessary calculations are rather complicated, the result has been that there has been almost as much heat generated in China on this one point alone as has resulted from the civil wars.

The Bank of China and the Bank of Communications have now taken the bull by the horns and have issued fractional paper currency that is worth what is stamped on its surface differing radically in this respect from the silver and copper coins in use. A dollar in Shanghai can now be resolved into its component parts without any loss, for the first time in history.

Of course, this is only a beginning, but an important one. The great mass of the Chinese people will still continue to use the depreciated fractional silver coins and the copper coins, because that is what they have been accustomed to do for many years. These new big "small" money notes will for the time being be used mostly in the large shops and in the public institutions such as the post offices, telegraphs and railways. But it will not be long until the ricsha coolies and the laborers generally will scent the new order of things and realizing that there is a way out of their present bondage to the exchange shops, will begin to demand payment in a currency that is not depreciated. When that demand becomes general, the many thousands of cash shops now in existence will, like Othello, find their occupation gone.

This matter of unifying and "debunking" China's money is really the most important problem which it has to solve, more important even than the political problem. So long as each province has a tael (ounce) of silver varying in value from the tael of the other provinces, just so long will the people of the two provinces feel that they are not exactly brothers. How can there be a spirit of unity in a country where values are simultaneously reckoned in taels, in dollars, in depreciated fractional silver coins, and in depreciated copper coins, each bearing different markets, each varying in value not only as to their supposed honest content, but according to the exigencies of the moment and according to the degree of debasement! When a Shantung man can do business with a Cantonese with an identical coinage a great many of their other troubles will largely disappear.

The China Stock and Share Handbook

One of the most carefully produced works in the Far East is the China Stock and Sharebook, compiled by C. R. Macguire and published by the North-China Daily *News* (Shanghai). Novelists may draw on their imagination, lawyers and doctors, and even editors, have a supply of alibis ready to explain away mistakes, but the compiler of a stock and sharebook must be accurate. Mr. Macguire has long since established his reputation in this respect, and the 1926 issue, just published, undoubtedly measures up to the established standard. Far Eastern investments are extremely hazardous at best, and this hazard in previous years had been greatly accentuated by the fact that there was no easily accesible collated information as to the financial operations of the various companies. This want has been supplied by Mr. Macguire's handbook.

Not only is the information adequate, but the arrangement is such as to make it readily accessible. Banks, docks, hotel companies, etc. are all grouped under their respective headings and the bald statistics are reinforced with solid germane data of a kind which the investor always wishes to have readily accessible, but which, in the absence of such a careful selection as this is, he would have to wade through dozens of political and financial volumns to get hold of. The data on the rubber industry are particularly valuable. The price of the book is $8.

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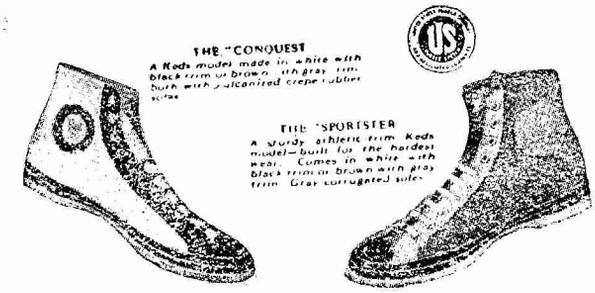

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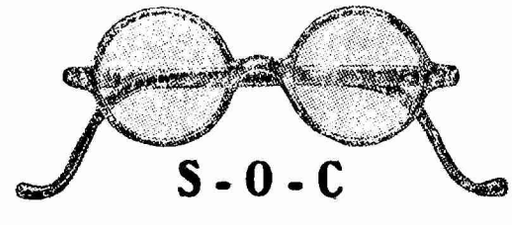

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39-140

The Amazing Adventures of Silver

BY J. LAURENCE LAUGHLIN

In the American Review of Reviews

THE appearance of the Young Report of the Royal Commission on Indian Currency and Finance comes out of the East to blazon the end of another chapter in the dramatic story of silver. In the years since the World War the case of silver has become a *cause celebre*, drawing the attention of the world in ways unprecedented. Its performances in recent times have never been equaled in all the centuries since the discovery of America.

Silver has had a mystical power in getting into the limelight not only in monetary but in political doings. It first spread its stream through Catholic Spain from Mexico and Potosi in a way to alter the prices of all Europe in the sixteenth century; it had been the currency of nearly the whole world until the discoveries of gold in California and Australia; it has since then been pushed into the monetary recesses of the Orient and the Indies; it has been recently given up even by silver-producing Mexico, whose eagle on its famous dollar may now see its own feathers on the arrow that has helped to bring it to the ground. Out of the flaming discussions on bimetallism of the last century, and the fiery campaigns of Bryan in our own land, it has been carried on a shield to political oblivion.

And, now in this Indian Report, we see silver finally passing in solemn state out of its last important monetary stronghold to find a questionable existance in the non-monetary realm. It has had many amazing adventures in the course of its dramatic story; but perhaps none has been so sensational as in the days since the war.

When Silver Dropped to 43 Cents an Ounce

The whole world is familiar with the thirty years' adventure in decline from 1873 to 1903, when silver lost the confidence even of bimetallists by dropping from about 60d. per fine ounce (or a ratio of 16:1) in the London market, in the years around 1873, to 21 11/16d. 1 in November, 1902 (or a ratio of 42.46: 1). This fall was due to the large production of gold, which allowed the important commercial nations to dispose of silver. But, although silver ceased to be used as a standard, it fell into a more modest function as token money for small transactions, or for the chief money of less civilized peoples, thus meeting a large demand.

Then, in capricious fashion, silver surprised its friends by a recovery in value. This rise had all the indications of staying power. The London price went up to 33 ⅛d. (or to a ratio of 28.86:1) by November, 1906. Such a rise, however, was sufficient to make the silver content of established token coins in the Dutch East Indies, the Straits Settlements, the Philippines, and Japan worth more than their face value. These currency systems were upset. So jaunty a come-back on the part of a metal long supposed to be down and out, with its threat of the melting-pot and exportation, gave the world a surprise.

But with the panic of 1907-8 silver again went into a decline, and up to the World War ceased to cause any thrills.

After-War Price of $1.79 an Ounce

This temporary quietude, however, was only a prelude to the most sensational act ever staged in the history of silver. Never before had silver entered upon so surprising an adventure. Starting from a decrepit condition indicated by a London price of 22 5/16d. in July, 1915 (or a ratio of 41.71:1), the metal began an upward race with steadily increasing power through the four years 1916-1919, galvanized into new life, until in February, 1920, it reached a height of 89½d. per ounce (or a ratio of 11.10:1), a value never possessed by silver in all its varied experience since its uncertain fluctuations about the time of the discovery of America. It seemed incredible.

Such a flashing ascent could not, of course, remain permanent. Before the year 1920 had passed, it had fallen in price to 43 ⅞d. (or a ratio of 22.58: 1); in March, 1921, to 31 5/8d. (or a ratio of 29.03:1); and to-day, aided by the report of the Royal Indian Commission in August, urging a true gold standard, to 25 13/16d. (a ratio of nearly 36:1).

Silver Now Merely a By-Product

It is a paradoxical thing that just when the value of silver was rising to its greatest height, its production also had risen to its highest point in history. Evidently, the increased value had stimulated its production. In 1903-1920, 3,427,194,919 ounces of silver were produced, having a commercial value of $2,307,582,201, at nearly 70 cents an ounce.

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Moreover, it is rather startling to find out that in these days silver comes from the mines without much regard to its cost of production, its value, or the demand for it. Silver is now a by-product, and not more than one-quarter of the world production comes from distinctively silver mines. The largest single producer of silver in the United States is a copper mine.

Not less curious is the fact that the combination of smelters buys the silver ore at the London quotation on the day of shipment, sells the refined silver on the day of purchase, escaping the fluctuations in the market, so that the supply is forwarded without regard to the demand. In fact, it seems impossible to induce governments to spread their demand over periods of varying supply.

The Demand In India and China

Although silver was the so-called discarded metal, it is clear that during 1903-1920 the demand exceeded the supply; but that was due to exceptional influences arising from the World War, such as the necessity of sending to India from Europe large sums of silver to pay for Indian troops and war supplies. That is, the large movement of silver to India was in proportion to her prosperity and exports, and not in proportion to new needs for a means of exchange.

At the same time, also, the demand of China for silver became urgent. During the war, Chinese goods, instead of being shipped, had accumulated; so that when, about 1919, these stores of goods began to be exported, there was created an imperative demand for silver to be sent to China. Hence, the following was the disposal of the silver supply:

Total produced, 1903-1920		$2,307,582,201
India took	$1,028,774,169	
United States sent China and Asia	618,651,642	
China took from London	79,056,140	1,726,481,951
Leaving a balance of		$581,100,250
Consumption in the arts, probably		800,000,000

As the main causes of the phenomenal rise in the value of silver from 1903 to 1920 were the extraordinary demands arising in India and China due to the World War, of which that of India was dominant, so, with the cessation of abnormal war conditions, combined with the crisis of 1920-21 and the widespread after-war liquidation, there came the inevitable reaction in silver which carried it down one-half of its previous climb. For some four years thereafter the price ranged about 35d. to 31d. (not getting much away from the ratio of 30:1). The market, however, was sensitive to rumors, political incidents, doings in the Orient, and many unknown forces. In fact, another adventure was opening before silver.

A Gold Standard for India

This again developed from India. For 33 years since 1893, when free coinage of the rupee was suspended, Great Britain has been vacillating in its policy regarding the maintenance of the rupee at a fixed rate (for a time 16d. and lately 18d.) in gold. Rupees were first obtainable at 15 to the pound in gold. But there was no direct redemption of the rupee in gold. Gold exchange was sold for silver—"reverse bills"—at certain rates. Curiously enough it was the rise in silver, not its great fall, that precipitated the last step. The rise of silver carried the bullion value of the rupee to 28s. The Government could not afford to buy rupees at that rate with which to make payments in silver. Rupees were reduced to 10 to the pound in gold.

Finally, in August, 1926, the Gordian knot was cut by the Young Report, which advises the abandonment of the much-heralded gold-exchange standard, known in the Philippines, and the adoption of a true gold (bullion, not sterling) standard without gold in circulation, keeping the currency note and the silver rupee in circulation, but directly convertible into gold without limit at 18d. The whole scheme is to be aided by the credit of a Central Reserve Bank to help in elasticity. The difficult problem of hoarding both gold and silver is treated by the creation of Saving Certificates, redeemable in gold from three to five years, setting a premium on saving and not hoarding. It is intended that "the coinage of silver rupees should be stopped for a long time to come, until the amount of silver rupees in circulation is reduced to the amount required for small change." The rupee circulation is estimated at 350 to 400 crores (a crore is ten million rupees). Hence, a fear that India is on the eve of withdrawing her normal demand for silver, causing a new downward tendency in its price.

Chinese interests have, of course, carried much silver, and there has been no little speculation. If India fails the market, then selling would come from Chinese holders. Our copper mines would suffer somewhat from the fall of silver. But it must be kept in mind that hundreds of millions of people will continue to use silver in small transactions. Thus this last adventure in adversity may not be hard.

News from South China

General Li Tsai-hsin, commanding the Kuomintan Army in Kwangtung, has protested to General Chang Tso-lin now in Tientsin against the recent arrests of 14 members of the Kuomintang Party in Tientsin.

The school of cadets in Canton training minor employes for the Kuomintang will follow the Kuomintang Headquarters to Wuchang sometime this month. The cadets of the Central School of Political and Military Science at Whampoa, near Canton City, will remain here.

Proprietors of rice firms in Canton, whose employes are now on strike the shops being blockaded by labour pickets, while willing to submit to terms exacted by the several labour unions, are still refusing to compensate the workmen for their time during the strike. The proprietors contend that they, have been the real losers. The proprietors say that "even workmen in imperalistic countries will not ask such unreasonable concessions."

Clerks in the modern Chinese banks in Canton, who have recently organized a union, are preparing to present a series of demands to their employers asking for higher pay and better service conditions. Among Chinese banks to be faced with demands of the new union will be Bank of Canton, Bank of East Asia, and other modern establishments having branches in Canton City.

Beginning the coming January, a number of articles in Swatow, including wine and tobacco, will have their present tax rates increased by 50 per cent.

Since the decision of the Kuomintang in Canton to take over the property and management of the Canton Water Supply Company, the value of shares of this concern has fallen from $4.80 to $2.15. The Kuomintang, it may be recalled, assumed formal control of this company on November 29.

The girl employes of the Canton Telephone Exchange have assured the municipal authorities that they will not go on strike at present in order to avoid embarassing the community when every attention should be given to the armed struggle against the militarists in North China.

The reported intention of Marshal Wu Pei-fu in Central China to withdraw from Yangtze politics for time being has drawn some comments from South China native press. Gen, Wu's action is applauded here as he is trying to stand by his principle of constitutionalism against extraordinary measures employed by Marshal Chang Tso-lin or other warlords to effect a re-unification of China.

Part of the Aviation Force of the Kuomintang and all river gunboats and small cruisers now in Canton will remain, notwithstanding the removal of the Kuomintang headquarters to Wuchang, according to latest arrangement. The Coast Defense Squadron and River Flotilla will be put under command of Captain Pan Wen-tze, a veteren naval officer who is a graduate of the early Chinese Academy in North China.

Among those mentioned to succeed Dr. Wellington Koo as acting Chinese Premier at Peking is Mr. Liang Shi-yi, a well-known Cantonese who did not join late Dr. Sun Yat-sen movement until 1924 when he and ex-Minister Yeh Kung-cho of Communications both visited Canton in order to instal Mr. Yeh as Dr. Sun's Minister of Finance. Mr. Liang's native district in Kwangtung is Samshui, but he makes his home at Hongkong.

Fatshan, following Swatow, has become another Cantonese city where the labour elements have practically secured full control in matter of trade and politics, leaving the municipality and the business firms as but agencies for their benefit.

Cantonese merchants in Shanghai have come to the aid of the China Merchants Steam Navigation Company with petitions to Canton Kuomintang asking for permission to importers in Canton to unload the remainder of the cargo not destroyed. The Canton Seamen's Union, has detained three C. M. S. N. steamers on charge that this Company has violated union rules by employing strike-breakers to man its ships while regular seamen were on strike. Efforts to unload cargo have failed and all fruit and vegetable together with poultry have already decayed but importers in Canton, having been denied a hearing locally, have asked their agencies and connections in Shanghai to assist. There are some $800,000 worth of unperishable cargo still on board these vessels, and Kuomintang, while unable to get the consent of the labour leaders to permit the unloading of cargo, have been successful in placing policemen on board to minimize the theft of articles by unauthorized coolies from the detained vessels. Lately the strike-breakers who had manned these vessels from Shanghai to Canton have been given food by the Seamen's Union which is holding them prisoners. The branch of the China Merchants Steam Navigation Company in Swatow, where several of their vessels are being held by Seamen's Union, is making local arrangements to settle the issue. Union seamen will be it is hoped.

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Only $100,000 of the proposed $20,000,000 Whampoa Development Bond issue has been subscribed to in Canton, and according to latest report, the project may be abandoned.

The Kuomintang is offering to lease the plant of the Canton Cement Works to any responsible party who will operate it after making the necessary repairs, tenders to be opened early next week. The Kuomintang expects to be able to procure $200,000 or more a year from the plant.

Mr. Churchill T. M. Chiu, Commissioner for the Education of Railway Workers of the Ministry of Communications of Peking, who is on his way to America and Europe on a mission of investigation of the educational facilities provided for similar service in those countries, paid a visit to his parents in Hongkong last week and departed for San Francisco by the S. S. *President Taft* December 5th. Before entering government service at Peking, Mr. Chiu was a member of the educational bureau of Canton. He is a graduate of the Higher Normal School in Canton, now the Chungshan University.

Chinese in Macao are trying to interest those in Canton and Hongkong to visit the Portuguese Colony on December 7th and days following when lantern parades will be special feature, in connection with the Industrial Fair now in progress there. All Chinese hotels in Macao have promised special rates for visitors during the week.

The case against 20 alleged pirates connected with the S. S. *Sunning* attack near Hongkong, November 16th, when she was returning from Shanghai, is now on trial at the Policy Court in Hongkong for preliminary action.

The Chinese Seamen's boycott in Canton against the Hongkong, Canton & Macao Steamboat Company may soon be removed, as the Company is negotiating for the re-employment of discharged sailors who had voluntarily left service July, 1925, during the anti-British boycott and strike.

A godown at Canton belonging to Jardine, Matheson & Company was raided by a small band of robbers December 1st and a night watchman was shot. Kuomintang anti-foreign terrorists are responsible for this, according to "anti-Reds", but it is unlikely that it has been work of any other than purely bandits who would lay every crime at the door of the ruling party in South China.

Canton, December 4, 1926.

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Men and Events

A. P. Finch of the editorial staff of the Shanghai Times who was confined to the Country Hospital has recovered.

Sir Ronald Macleay, former British Minister to China, and Lady Macleay, left Shanghai on Dec. 7 for London.

Sidney Moss, attorney of Shanghai is confined to the Isolation Hospital, with a serious attack of scarlet fever.

The American University Club and Shanghai Rotary Club, held a joint tiffin on Thursday, Dec. 9, the speakers being Dr. G. B. Roorback and Dr. Wu Lieu-teh.

Mr. Parsons, connected with the C. M. S. Mission at Kucheng, Fukien province, on who was kidnapped Nov. 29, was released by the bandits on Dec.3.

James Taggart, managing director of the Hongkong and Shanghai Hotels, Ltd., returned to Shanghai last week from a business trip to the United States.

D. H. Luca, a member of the Chinese Maritime Customs Staff at Shanghai, addressed the Shanghai Rotary Club on Thursday, Dec. 2 on the subject, "Fascism in Italy."

Prof. George B. Roorback, professor of foreign trade at the School of Business Administration, Harward University, will address the members of the American Chamber of Commerce at tiffin on Friday, Dec. 10.

Dr. Herbert Chatley of the Whangpoo Conservancy Commission will address the China Society of Science and Art, Shanghai, on Friday, Dec. 10, the lecture being held in the hall of the Royal Asiatic Society.

John Godfrey Pedley, a member of the editorial staff of the *China Press*, Shanghai, died at the General Hospital on Sunday afternoon, Dec. 5 of pleural hemmorage. Mr. Pedley became seriously ill on Friday, Dec. 4.

The Shanghai-Woosung Special District Administration has announced plans for the construction of a bridge across Soochow Creek at Jessfield, the cost to be defrayed through a $50,000 debenture issue based upon taxes of the district concerned.

J. P. Morgan and Company, bankers, of New York, have announced a loan of G. $19,740,000 to the city of Yokohama, Japan, the money to be used for reconstruction purposes. The loan is for 35 years with interest at 6 percent, the price of the bonds being G.$93.

A mass meeting scheduled by Shanghai labor and student organizations for Sunday, Dec. 5 was called off on account of the actions of the Chinese police and military forces which patrolled the district about the Recreation Grounds and refused admission to the area.

H. J. Sheridan of the Standard Oil Company, with Mrs. Sheridan and family, arrived in Shanghai on the Nagasaki Maru on Saturday afternoon December 4, returning from a visit to the United States. They will make their home temporarily, for two or three months, at No. 311 Route Vallon.

Prof. Ray Lyman Wilbur, president of Leland Stanford University of California and president of the Institute of Pacific Relations will arrive in Shanghai next week for a visit of several days.

Members of the Chinese Journalists' Club of Shanghai were entertained on the evening of Sunday, Dec. 5 by Mr. and Mrs. Julean Arnold at their home on Avenue Joffre. Following dinner, a number of films dealing with various phases of industrial development in the United States, were shown. About 20 were present.

Tong Shao-yi, former premier and veteran Chinese statenman, who has been on a visit to the Straits Settlements, is expected back in Shanghai shortly.

Ferdinand L. Mayer, Counsellor of the American Legation, Peking, who has been in Shanghai for several days, departed on Tuesday, Dec. 7 for Hankow.

Dr. Victor C. Vaughan, connected with the National Research Bureau, Washington, D. C., who has been in Shanghai for several days, has departed for Manila.

J. F. Malone of New Orleans, Louisiana, representative in China for American leaf tobacco interests, has returned to Shanghai from a business trip to the United States.

Chen Tiao-yi, civil governor of Kiangsu province, has resigned his office according to a report appearing in the Chinese papers this week, the reason being the disturbed political situation.

Dr. V. K. Willington Koo, acting premier and minister of foreign affairs at Peking, has sent a telegram to Chinese political bodies at Shanghai denying that the Peking Government has any intentions of negotiating a loan with British interests.

Prof. John H. Reisner, dean of the College of Agriculture, University of Nanking, is visiting in Shanghai this week.

S M. Finn, representative of the Hardeman Hat Company of Seattle, has arrived in Shanghai after a trip through Manchuria and North China. After a few days here he is planning to depart for Java.

Capt. Ellis D. Weigle, attached to the 91st Coast Artillery, U. S. Army in the Philippines, was found dead in the bath room of the steamer Taishan, at Hongkong, on Dec. 1. According to the report, it appeared that Capt. Weigle had committed suicide.

Charles Schooler, sergeant, connected with the Shanghai Municipal Police Department, whose body was found in the Whangpoo River on Nov. 28, came to his death by means of self-admiflistered poison according to testimony presented at the inquest held on Dec. 7.

The semi-annual meeting of the membership of Community Church will be held in the Church parlors on Dec. 15 and will be preceded by a cafeteria supper, to be served by the Ladies Auxiliary. The budget amounting to $26,000 for the coming year will be presented.

Curtis W. Childs, member of the Foreign Staff of the First National Bank of Boston, who has been in China for several months, making a special study of the exchange and currency situation is departing on Saturday Dec. 11 for Manila, Straits Settlement and India to look into the silver situation.

Dr. Anne Walter Fearn who is at present in Peking is planning to return to Shanghai in about two weeks after which she will leave for America by way of Europe. She will be accompanied by her niece Miss Edgar, of Memphis, Tenn., who has been her guest for several months.

Mrs. Marie Madeline Gande of Shanghai was granted a divorce from William J. Gande by Judge Peter Grain in the British Supreme Court on Dec. 7. Mrs. Gande was also given custody of her 19-year old son and costs in the action. The petitioner was represented by E. H. Flatt.

Dr. Sao-Ke Alfred Sze, Chinese Minister to Washington, who has been in Turkey in connection with the negotiation of a Sino-Turkish treaty, has returned to Europe and will assist Chu Chao-hsin, China's representative at Geneva in connection with the negotiations pertaining to the Sino-Belgian Treaty.

The next meeting of the Far Eastern Olympic athletic competition will be held in Shanghai the week beginning on August 27, 1927, according to announcement of Wm. Z. L. Sung, secretary of the China Committee, this week. Invitations are now being sent to schools in Japan, the Philippines, India and elsewhere.

According to report from Nanking, most of the Shantung troops under Gen. Chang Chung-chang, tupan of Shantung, which were moved to Pukow several days ago, have been sent back to Hsuchowfu in northern Kiangsu, the reason being Gen. Chang's uncertainly regarding the intentions of Gen. Chen Tiao-yuan, tupan of Anhwei, who is suspected of sideing with the South.

The China Merchants Steam Navigation Company, largest Chinese shipping company with headquarters in Shanghai, suspended all sailings of their ships on Tuesday, Dec. 7 owing to interference on the part of both the North-

(Continued on page 51)

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Dr. George Sellet Appointed U.S. District Attorney

Dr. George Sellett, Acting Dean of the Comparative Law School of China and member of the law firm of Sellett and Blume, Shanghai, was appointed United States District Attorney for the U. S. Court for China on Wednesday, Dec. 1, taking the position made vacant through the resignation of Leonard G. Husar, who is returning to his home in Los Angeles. Dr. Sellett is a native of Kangley, La Salle County, Illinois, where he was born on Nov. 20, 1898. He received his early education in Kangley, Streator and Witt, Illinois and was graduated from the Hillsboro, Ill. high school in 1916 He served in the Officers Training School at the close of the World War. He studied law at the University of Michigan from 1917 to 1922 where he received the degrees of Bachelor of Arts and Doctor of Jurisprudence. He was student editor of the Michigan Law Review and member of various honorary societies including Phi Beta Kappa and Order of the Coif. He passed the Michigan Bar examinations in September, 1922. Dr. Sellett arrived in China in March, 1923 and joined the faculty of the Comparative Law School of China, Soochow University and since June, 1924 has been acting dean of that institution and in addition has been a member of the law firm of Sellett and Blume.

Dr. Geo. Sellett

Leonard G. Husar, who resigned from the position of U. S. District Attorney on Nov. 30, came to China on Feb. 21, 1922, from Los Angeles where he was assistant prosecuting attorney. He is a native of San Francisco where he received his early education. Later he attended Leland Stanford University, the University of Southern California and Franklin College, Dresden, Germany. After practicing law in California for a time he enlisted as a private in 364th infantry, First Division, U. S. Army and served in France during the World War in the Argonne, Meuse and other major engagements. After leaving the army he was associated with W. J. Ford in the practice of law in Los Angeles and prior to his appointment as United States District Attorney here, was first assistant prosecuting attorney at Los Angeles. Mr. Husar plans to depart shortly for Los Angeles where he will make his future home.

Mr. L. G. Husar

Announcement —

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Men and Events

(*Continued from page 49*)

ern and Southern forces, many of their ships having been commandeered as troops and munition transports.

Dr. David Duncan Main, accompanied by Mrs. Main, departed on December 7 for England where they will make their future home. Dr. Main was engaged in medical missionary work in China for 45 years, most of the time being spent in Hangchow, Chekiang province. Prior to their departure from Hangchow, Dr. and Mrs. Main were the recipients of many farewell presents and honors from foreigners and Chinese.

A. Bland Calder, U. S. Trade Commissioner in Japan, accompanied by Mrs. Calder, arrived in Shanghai on Monday Dec. 8, where Mr. Calder will serve as U. S. Trade Commissioner in place of G. C. Howard who is departing for America shortly on leave. Mr. and Mrs. Calder came to Shanghai by way of Formosa and Foochow. After they had boarded the Hsin Chi, a ship belonging to the China Merchants Steam Navigation Company at Foochow, the Chinese naval officials commandeered the vessel and loaded 800 refugee Northern troops on board. Owing to the overloaded condition of the boat, it required more than three days for the vessel to reach Shanghai and while on the way some four of the soldiers died and health conditions were generally bad.

Prof. Griffith Taylor of the University of Sydney and Miss Eleanor M. Hinder, secretary of the industrial department of the Y. W. C. A., Shanghai, were speakers at tiffin given by the Pan-Pacific Association at the Union Club of China on Tuesday, Dec. 7. Among the guests were Prof. and Mrs. Noel. Benson of Otago University, New Zealand, Dr. John Y. Lee of the National Committee Y. M. C. A. presided at the meeting.

Announcement has been received in Shanghai of the amalgamation of the two firms of Girard and Company, Inc., and McKesson and Robbins of Bridgport, Connecticut. Both are old established firms interested in the chemical manufacturing business. The new firm which will be known as McKesson and Robbins, has offices in Shanghai at No. 12 Rue de Consulate. A. M. Guptill, formerly manager of the Commercial Department of the U. S. Consulate at Shanghai, is representative in China for the firm..

Judgment was rendered on Saturday, Dec. 5 by Judge Milton D. Purdy in the U. S. Court for China, against the American firm, C. R. Cox Company, Inc., for the sum of Tls. 106,178.85, the action being brought by Lansing Hoyt on behalf of American shipping firms on the Upper Yangtsze. Mr. Cox, against whom the judgment was rendered, is now in the United States. According to the judgment the Cox Company had misappropriated various sums ranging from Tls. 3,000 upward from shipping firms which it represented on the Upper Yangtsze.

Miles W. Lampson, recently appointed British Minister to China was entertained at luncheon on Friday, Dec. 3 at the Union Club of China, there being nearly 200 guests present. Brief talks welcoming Mr. Lampson to China were made by R. Calder-Marshall, president of the Club, and by Messrs. Fu Siao-en and J. B. Powell, vice-presidents, following which Mr. Lampson responded, thanking the members for his hospitable reception in Shanghai. Mr. Lampson was also entertained while in Shanghai by the American, British and Chinese Chambers of Commerce. He departed for Peking, by way of Hankow on Saturday, Dec. 4.

From the Chinese Press

December 2.—Japanese reach agreement with Chinese seamen's union settling strike at Hankow-Fighting develops at Foochow between forces of the Chinese Navy under Admiral Sah Chen-ping and Fukien troops under Gen. Chang-I, resulting in serious disorder and the summoning of American and Japanese gunboats for protection of foreign lives and property—Peking Cabinet continues in shaky condition, Pan Fu being summoned to Tientsin to confer with Chang Tso-ling—Chang Tso-ling expected to assume office of commander-in-chief of Northern forces—Wu Pei-fu announces his intention of retiring immediately following the settlement of the present trouble—Japanese Minister, Yoshizawa, Peking states that although China has completed the plans for a basic revision of the Sino-Japanese Treaty, that China has as yet made no move for a conference—Gen. Chang Chung-chang prepares to return to Tsinanfu from Tientsin—Owing to the American Government's having made public the Extraterritorial Report, it is reported that the Peking Government will also make the report public shortly—Gen. Pi Shu-chan of Tsingtao orders section of Chinese navy at Tsingtao to proceed to the Yangtsze Valley, the fleet being composed of the Haitsun, Tsungho, Tsooyu, Yunghsiang and Hwaja —Three Province Association at Shanghai, under chairmanship of Tsai Yun-pei decides to send delegates to Chen Tiao-yuan and Chiang Kai-shek; to approach local authorities regarding opening of National Students Union; to telegraph Sun Chuan-fang telling him to stay out of the local situation; that Yuan Shi-tao and others be elected to proceed with the question of making Shanghai a special area-Business organizations in Wu Han district planning organization of special committee to handle labor disputes—Teng Yen-ta, chief of political section of Southern Government returns to Hankow and announces decision to transfer government headquarters to Hankow—Number of prominent Japanese depart from Tokyo for Shanghai to attend session of Sino-Japanese Cultural Works Association in Shanghai—Sheng En-I, general manager of the Han-Yeh-Ping Company of Hankow returns from Tokyo where he held conference with Japanese Finance Minister, Kataoka on the matter of obtaining a new loan—Sun Chuan-fang departs from Tientsin for Nanking.

December 3.—Chang Tso-ling assumes office as head of the "Ankuochun" or National Pacification Army, and appoints Chang Chung-chang and Sun Chuan-fang as vice-commanders—Employes of Chinese Telegraph Administration at Hankow, threatens strike unless demands for higher pay are granted—Gen. Teng Yen-ta of Kuomintang departs from Hankow for Kiangsi, accompanined by a Russian adviser—Gen. Li Pao-chang of the 9th Division, Sun Chuan-fang forces at Shanghai, pays up arrears of troops in Shanghai district—Pan-Chekiang Association passes resolutions opposing activities of Chang Tso-ling and Sun Chuan-fang in connection with Chekiang province—As result of conflict between Gen. Chiang Kai-shek and Admiral Lin Chen-hsiung, Admiral Lin tenders resignation —British Legation in Peking protests action of Shantung military authorities in attempting to tax foreign residents of Tsinan and Lungkow—Belgian Minister refuses to grant China's intentions to exclude Belgians from Shanghai Goods Valuation Conference—Conference shortly to be held in Tokyo for purpose of facilitating freight transportation between China, Japan and the United States—Chang Tso-ling expected to shortly announce the formation of a

(*Continued on page 53*)

Developments in the China Situation for the Past Week

A temporary lull seems to have taken place in the China political situation for the time being, while the opposing sides are taking stock of the situation and marshalling their forces for a renewal of the struggle for the control of China. As a result of the temporary cessation of fighting, there are countless rumors in circulation regarding possible new alliances and counter-alliances, one of the most interesting of which comes from Hankow and is to the effect that Chang Tso-ling, the Mukden warlord and Chiang Kai-shek, the Kuomintang commander have made a secret deal whereby Marshal Chang may be permitted to remain in Peking temporarily while Fengtien and Kuomintang unite in an effort to squeeze out of the political picture both Wu Pei-fu and Sun Chuan-fang, first, and following that, the other two generals Chang Chung-chang, tupan of Shantung and Chu Yu-puh, tupan of Chihli province, neither of whom Chang Tso-ling trusts.

Gen Chin Yun-peng

As a matter of fact, Marshal Sun Chuan-fang, former tupan of the Five Southeastern Provinces of Anhwei, Kiangsu, Kiangsi, Chekiang and Fukien, has already been eliminated owing to this alliance with Chang Chung-chang of Shantung. Although Sun has returned to Nanking, he is now pretty generally looked upon as a 'traitor' by the people of his former territories and probably will have little influence in the future.

Has Chekiang Declared Independence?

Following the abortive attempt of the former civil governor of Chekiang, Hsia Chao to declare the independence of Chekiang province, Marshal Sun Chuan-fang appointed Gen. Chen Yi as civil governor of that province. On Sunday, Dec. 5 Gen. Chen Yi made a trip to Nanking to interview Marshal Sun upon Sun's return from the Fengtien military conference at Tientsin. When Gen. Chen returned to Shanghai he announced his intention of defending Chekiang province against both the Fengtien and Cantonese factions, which statement has been accepted as a practical independence declaration. At the same time it was announced that Gen. Chen was sending troops to the border between Chekiang and Fukien in order to prevent the entrance of the Cantonese troops from Fukien.

Fukien Now Controlled by Cantonese

The Kuomintang forces, which have been operating in Fukien province against the Northern troops under Gen. Chow Yin-jen, have finally succeeded in capturing the city of Foochow, capital of the province and most important treaty port between Shanghai and Hongkong, thus opening up the way for an advance into Chekiang and Shanghai. Incidental to the capture of Foochow, there was considerable disorder in the place requiring the presence of American and Japanese gunboats. However, aside from the entrance of a few British and Japanese premises by student agitators in search of enemies, the foreigners, apparently were not disturbed. At the last moment Admiral Sah Chenpin attempted to prevent the admission of the Cantonese into Foochow but was unsuccessful, his own troops going over to the South.

The Shanghai Puzzle

One of the greatest puzzles in the present situation is that presented by the status of the district about Shanghai, where Dr. V. K. Ting, an appointee of Marshal Sun Chuan-fang as 'Mayor' of the Shanghai-Woosung Administrative District, is still apparently in control. Dr. Ting seems to be spending his time traveling back and forth between Nanking and Hangchow, apparently trying to bring about some kind of a combination that would preserve the *status quo* and enable Dr. Ting to continue in office as 'Mayor.' A report by a Chinese news agency on Monday, Dec. 6 had it that Marshal Sun might come to Shanghai himself. Everything seems to point that the area about Shanghai may also declare itself 'Independent' and in this connection possibly receiving no little encouragement from certain foreign interests in the International Settlement and French Concession.

The Three-Provinces Association

One of the curious developments in the Shanghai district has been the formation of the so-called Three-Province Association, supposedly composed of representatives of the gentries in Kiangsu, Anhwei and Chekiang. This organization which has held several meetings under the chairmanship of Dr. Tsai Yun-pei, formerly head of the Peking National University, has been conducting a steady propaganda against the sending of Fengtien troops into Kiangsu and has also been agitating against the alliance between Sun Chuan-fang and Chang Tso-ling whereby Fengtien agreed to send assistance to Sun in order to enable Sun to withstand the pressure of the Kuomintang.

Marshal Chang Heads the Ankuochun

The present re-shuffling of political cards in the North has borne first fruit in the coinage of a new political name, the 'Ankuochun' or National Salvation Army, which is now definitely headed by Chang Tso-ling as generalissimo, with Chang Chung-chang and Sun Chuanfang as vice-commanders. The headquarters of the Ankuochun has been moved from Tientsin to Peking and it is reported that Chang Tso-ling himself will proceed to Peking shortly to take definite control of the situation and possibly, later on, to actually become president of China. There are also rumors in circulation that another attempt may be made to restore the Manchu 'Boy Emperor' Hsuan Tung, to the Dragon Throne. There is little question but that Marshal Chang now has his worries in plenty, for in addition to his troubles in trying to 'cooperate' with Wu Pei-fu, he has the Christian General, Feng Yu-hsiang, again to worry about. Latest reports have it that Feng has Marshal Chang guessing in two directions, or in other words, Chang does not know whether Feng is moving back toward Peking by way of Suiyuan and Kalgan or whether he is advancing through Shensi on Honan. The effect of this uncertainty has forced Chang to send fresh troops into the Kalgan district northward of Peking and has also caused Chang to be considerably wary about sending many troops southward in order to oppose the Kuomintang in the Yangtsze Valley. Thus, in addition to having two subordinates Chang Chung-chang in Shantung and Chu Yu-puh in Chihli, that he can't trust, the Mukden warlord also has to worry about Wu Pei-fu and Feng Yu-hsiang. As a result of this, the Kuomintang apparently is not doing a great deal of worrying about the greatly-advertised Fengtien advance southward. The uncertainty existing in the Northern military camp is reflected in the abortive efforts to reorganize the Peking Cabinet. Dr. Wellington Koo is still carrying on as Acting Premier and Foreign Minister but threatens to resign almost daily. Latest reports have it that Gen. Chin Yun-peng may be the next Premier in case Koo quits.

Southern Government to Wuchang

The delegation of officials of the Southern Government which has been traveling overland from Canton in the direction of Wuchang has finally reached Kiukiang in Kiangsi province and on Monday, Dec. 6 held an important conference with Gen. Chiang Kai-shek, commander of the Southern forces. Those present at the Conference included in addition to Gen. Chiang, the following: Eugene Chen, Sung Tsu-ven, Sun Fo, George Hsu Chien, Mrs. Sun Yat-sen, Mrs. Geo. Hsu Chien, and Mr. Borodin, Soviet Russian adviser. The delegation of prominent representatives of the Kuomintang was greeted by large crowds throughout Kiangsu, the Chinese press reports saying that 10,000 citizens including representatives of 50 labor unions were on hand to welcome them at Kiukiang. Following a few days conference at Kiukiang, the party plans to proceed to Wuchang to make arrangements for the transfer of the headquarters of the Southern Government to that city.

The Question of Recognition

The announcement of Mr. Miles W. Lampson, recently appointed British Minister to China, following his visit in Shanghai, that he would also visit Hankow prior to proceeding to Peking, has been responsible for the circulation of rumors that Britain is planning to grant some form of recognition to the Canton Government. As a matter of fact, there probably is more than rumor to this, for with the Cantonese in control of practically all of the territory south of the Yangtsze, it is difficult to see how the Powers can escape such an action. One certain point is that unless the Powers do something shortly, the Cantonese will force the issue by taking over control of the Customs administration in South China. Several days ago it was reported in Shanghai that Great Britain was trying to induce the United States and Japan to cooperate in a scheme to blockade the Yangtsze Valley and all South China Ports, but this report was dispelled by a dispatch from Washington stating that the United States would not participate in any such scheme and would only use the American naval craft on the Yangtsze for the protection of American lives and properties.

(*Continued from page 51*)

provisionary cabinet, the most likely candidates for the Premiership being Liang Shih-yi or Gen. Chin Yun-pang, but in mean time all northern militarists urge Wellington Koo to carry on—Dr. Koo again announces determination to refer Belgian treaty question to the League of Nations—Peking report states that Wu Pei-fu has refused to accede to Chang Tso-ling's request that Wu should resign—Chang Tso-ling circulates telegram stating he has assumed the leadership of the Ankuochun army for the purpose of saving the country from the communists—Sun Chuan-fang and Chang Chung-chang arrive in Nanking.

December 4.—Wu Pei-fu remains silent on Chang Tso-ling's assumption of office of chief commander of National Pacification Forces—Owing to exhaustion of funds for carrying on Tariff Conference Peking tariff staff stops work—Chang Chung-chang and Sun Chuan-fang hold long conference Tsinan and immediately depart for Nanking—Chinese Chamber of Commerce in Hankow calls massmeeting for purpose of considering demands of laborers for salary increase—Gen. Chen Yi, civil governor of Chekiang arrives Shanghai and departs immediately for Nanking to interview Sun Chuan-fang; Gen. Li Pao-chang, commander of Shanghai defense forces also goes to Nanking—Chen Hung-lien former vice-minister of Communications arrives in Shanghai to discuss political situation-Three Province Association holds further meeting under chairmanship Hsu Shi-yin, ex-premier and decision made to send telegram to military leaders in Kiangsu, Anhwei and Chekiang requesting their attitude on the dispatching of Fengtien troops to the South—Ma Hsiang-peh, joins diplomatic committee of Three Province Association—Chinese National Students Union announces plans for massmeeting of local citizens to discuss political situation—Peking dispatch states Fengtien militarists dispatching troops to Suiyuan district for purpose of watching movements of Feng Yu-hsiang and Yan Hsi-shan; Fengtien also decides to send troops to Honan owing to threatened action of Wu Pei-fu subordinates toward South—Japanese *Toho* Agency reports that draft of renewal agreement between Chinese Government and foreign Cable companies ready for signature, but held up on account of opposition of Gen. Yang Yu-ting—Tientsin report states that new Cabinet will be organized by Gen. Chin Yun-peng—Gen. Chang Chung-chang expected in Nanking this afternoon.

December 5—Chang Tso-ling planning to proceed to Peking to make calls on foreign ministers—Reported that Chang Tso-ling will remove the head of the Ankuochun forces to Peking and that a regency Cabinet will be formed, possibly under Gen. Chin Yun-peng—China invites Japan to participate in the 8th Far Eastern Olympic Tournament to be held in August, 1927; also reported that India may send a team—Serious strikes and labor demonstrations occurring in Changsha, practically all trades being unionized and labor and student parades occurring daily—Fu Ting-I chief of the Central Salt Administration, a member of the Wu Pei-fu faction, resigns office, according to Peking dispatch—Fengtien army decides to send large force to Suiyuan and Tatung districts—Gen. Chang Chung-chang telegraphs Chang Tso-ling urging him to proceed to Peking and assume direction of affairs—Chang Chung-chang, after

In the United States Court for China

FRANK A. CRAMPTON, Plaintiff,	Cause No. 2873
vs	Civil No. 1169
RUTH CRAMPTON, Defendant.	SUMMONS
	Filed at Shanghai, China,

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

RUTH CRAMPTON.

and to notify her to be and appear before this Court on or before the sixtieth day after service hereof to file her written answer on oath.

(SEAL) **WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China. Nov. 24, 1926.**

L. T. KENAKE
Assistant Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

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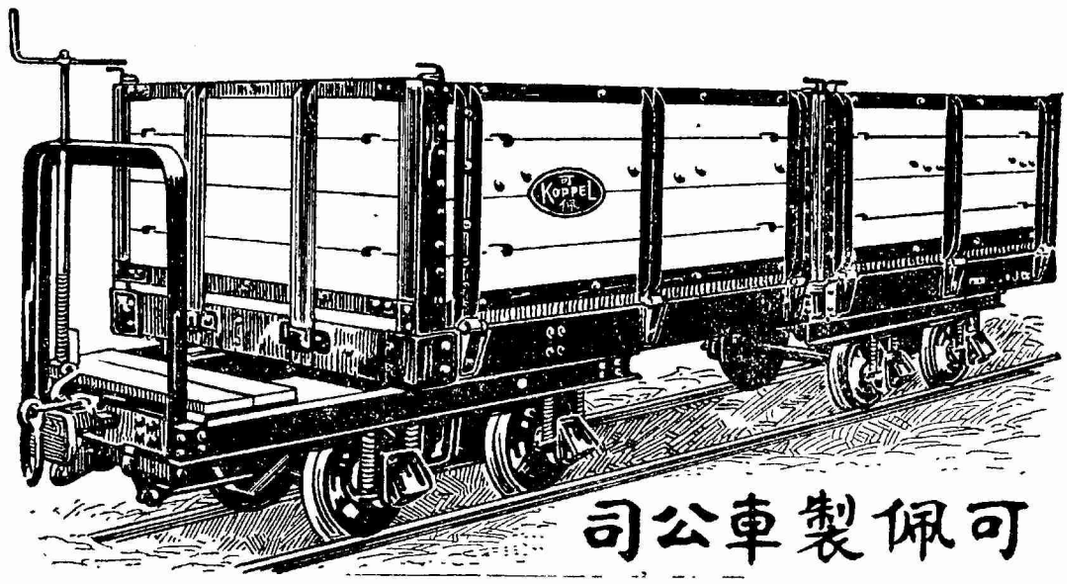

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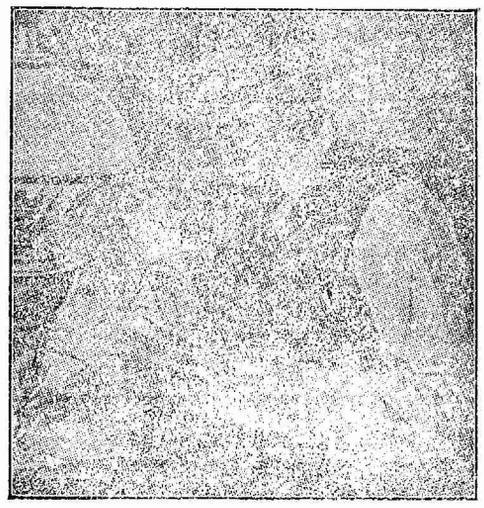

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39-150

inspecting situation at Nanking, is planning, accordion to report to proceed to the Honan front to investigate reports that Wu Pei-fu subordinates, Chin Yun-ao, Tien Wei-chin and Wei I-san are joining the Southerners—Soong Tse-vung, finance commissioner of Canton Government; Gen. Chien Hsu, ex-minister of justice; Sun Fo, son of the late Sun Yat Sen, Eugene Chen, minister of foreign affairs and M. Borodin, Russian adviser, arrive in Nanchang, Kiangsi province on way to Hankow—Bureau of Foreign Affairs at Hankow sends letter to British Consul-General stating that since the British-American Tobacco Company refuses to grant wage demands of laborers that the Kuomintang Government may decide to take over control of the factories—Laborers in Hanyang arsenal make demands for increase of pay—Peking Government still holding up publication of first three sections of Extraterritoriality Report, but *Peking and Tientsin Times*, British paper publishes report—Chwang Yungkwan, prominent Kiangsu resident of Peking arrested for agitating against sending Fengtien troops into Kiangsu, but shortly afterwards, released—Pan Fu issues loan for $300,000 on security of Customs, Sir Francis Aglen, approving—Chang Chung-chang officially assumes office as vice-commander of the Ankuo-chun forces—Hankow Chinese Chamber of Commerce holds massmeeting attended by 10,000 persons, which recommends that (1) wages be increased gradually; (2) working hours be based on 'ordinary custom'; (3) that treatment of labor be on basis of equality—Wellington Koo again offers resignation on account of disturbed political situation in North and threatened resignations of other Cabinet members—Reported that Fengtien troops will shortly start moving down Peking-Hankow line into Honan—Hsu Yuan, Commissioner of foreign affairs entertains British Minister Lampson, many prominent British residents being present—Mr, Lampson departs for Nanking on way to Hankow.

December 5—6—Chang Tso-ling announces intentions of appointing Gen. Wu Chung-sheng, military governor of Heilungkiang as commander of troops for home defense in the Three Eastern Provinces who will serve concurrently with Gen, Yang Yu-ting—According to Japanese *Toho* Agency, the move to centralize the headquarters of Ankuochun Army in Peking is merely preliminary to the election of Chang Tso-ling as President—Large number of students and soldiers in Foochow chase Chinese chief detective formerly under Gen. Chou Yin-ren, into offices of Osaka Shosen Kaisha, Japanese concern and fire on the building, killing the detective; situation seriously disturbed in Foochow, but relief expected when Kuomintang forces enter city—Canton Government gradually closing offices in Canton and removing to Wuchang—Chang Tso-ling sends Wang Yin-tai to Peking to call on foreign ministers to pave way for Chang's entrance into the Capital, the Fengtien authorities evincing considerable nervousness owing to reports of the Powers extending de jure recognition to the Canton Nationalist Government—Gen, Chow Feng-chi, accompanied by body guard of 500 leaves Hangchow for inspection of the defenses on the Chekiang-Fukien border; also reported that the 3rd Chekiang division will also move to the border for defense against the Cantonese troops advancing northward from Fukien—Gen. Pi Shou-chen summons military conference in Tsingtao to discuss plans for sending troops into Kiangsu, it having been decided to send 10,000 troops southward from Tsingtao by naval craft and Chinese steamers; Gen Hu Tien-ja will maintain peace in Tsingtao; a large shipment of German arms and munitions landed at Tsingtao from the steamer Sophia Richmers, has been shipped to Tsinan for the use of Gen. Chang Chung-chang—Chen Tiao-yi, civil governor of Kiangsu arrives in Shanghai from Nanking and announces his resignation—Gen. Chen Yi, civil governor of Chekiang returns to Shanghai from conference with Sun Chuan-fang and Chang Chung-chang in Nanking and announces that Chekiang province will be defended against both the Fengtien and Cantonese forces, otherwise he will resign his position—Local Chinese police and soldiers prevent holding of massmeeting called by student and labor unions at Public Recreation Grounds.

December 6.—Chang Tso-ling appoints Gen. Han Lin-chun commander of forces to be sent to Honan and has also ordered Gen. Ying Chen to advance along the Peking-Hankow railway—Tokyo *Reuters* report states that Japanese cabinet is seriously divided on the question of policy toward China, Baron Shidehara adopting a liberal policy toward the situation while protecting Japanese residents; same report states that Mr. Saburi of the Foreign Office is working harmoniously with Mr. Lampson, British Minister and they are exchanging views and expect to travel together to Peking—Peking *Reuters* report states that Foochow practically taken over by student agitators—Swatow repor

(*Continued on page x*)

New Books of Interest in the Far East

Educational Development in Korea

Modern Education in Korea; by Horace Horton Underwood, M. A., International Press. New York.

This book, which presents, in upwards of 300 pages, facts and figures relating to education in Korea that have never before been gathered together, is written with the hope of awakening in the minds of men a realisation of the opportunities that exist by means of education in Korea "to break down racial and national barriers of ill-will and build in their place highways of friendship."

An immense amount of patient research has evidently been undertaken, and a great deal of labour expended in putting together the results. There are no less than fifty tables of statistics, forty diagrames shewing the figures of these tables in graphic form, and fifty excellent photographic illustrations.

In a short introductory chapter the author describes the country, outlines its political history, traces briefly the history of missionary work, and closes with an account of education under the Korean government. Then in 150 pages he gives, by word, figure and diagram, a detailed account of missionary education, and follows this up with a short chapter on Korean Private Education.

To educators in China the chapters dealing with Government education since 1910 will probably be of most interest. Missionaries in charge of educational institutions in China, faced with the question whether Government recognition is desirable or not, will find the account of the way in which the situation developed under the Japanese Government extraordinarily interesting and enlightening. Some schools, in the days of Japanese military rule in Korea, refused to accept a Government recognition which involved giving up religious instruction within the schools, and carried on without recognition. Under the more liberal civil rule of Marquis Saito, however, these schools were given the option of applying for registration as "designated" schools, and provided only that they reached a prescribed standard of efficiency were allowed to rank on a level with the schools of the Government, while retaining the privilege of teaching religion and holding Christian worship.

Unfortunately, the book is not entirely free from faults, There are many irritating obscurities in expression, some of which might have been avoided by a more generous use of commas. The map of Korea on page 5 has so much irrelevant detail that it is almost useless. The letterpress accompanying the diagrams, instead of appearing by the side, is printed on the squared paper in such a way as to be almost unreadable.

In spite of these blemishes, which will no doubt be removed in later editions, the book is a valuable contribution to the history of education in the Far East, and should be read by all who have to do with the management of schods and colleges. It will no doubt be a constantly consulted source-book for all writers on Korean education in the future.

E. W. S.

St. John's University

A Detectve Story of the East

The Secret Listeners Of The East; By Dhan Gopal Mukurji; New York; E. P. Dulton and Company

This is an engaging detective story in which a Bengali boy scout risks his life and liberty to discover the murderer of his friend and chief, General Gastry. The Mahommedan fanatics of Afghanistan and Central Asia had organized a secret society, Secret Listeners Of the East, composed of Jehadis or those fanatics who think it their religious duty to kill the non-Moslims, especially the British, by any means, secret or public. They succeeded in assassinating two high officers of the Intelligence department of India and carried away one to extort secrets of the frontier defence of India.

The hero travels in Kashmere and the frontier states, undergoing many hardships and perils, through mountain passes infested with Mahommedan bandits and Jehadis, until he discovers that one Abdul Rahman, a dangerous and unscrupulous Mahommedan, who had been selling horses to the Indian government, was one of the chiefs of the conspiracy. Collecting a large number of fanatics he was planning to invade India. The Bengali proves superior to the Mahommedan fanatic and eventually kills him in an open fight with the assistance of his son.

It is a charming and clean story and the scenes of the combat and of the ways and manners of the fanatics are vividly painted. The secrets of the harems of the Moslim chiefs of the frontier state, described by the Indian author are most entertaining. The book ends in a moral lesson which pervades the Indian culture, that mercy is superior to revenge. Those who care to know the extent to which the lofty teachings of Mahommed can be perverted and made instruments of murder and pillage will find startling disclosures in this book. It is evident that the character of Abul Rahaman in this book is based on Kipling's Mahommedan spy in his "Kim."

H. P. Shastri.

The Charms of Haiti

Black Haiti; By Blair Niles; New York: G. P. Putnam's Sons

The charms of the Island of Haiti are fittingly described in this book which one can read through without finding a single dull page. The author takes the reader through fields full of verdure, streets beautiful and simple, folks interesting and primitive. The mornings and evenings of the place are presented with the charm that only a practised artist can do. Speaking of the Haitian poets the author says;—" . . . These men of letters construct, bit by bit, the picture; not only of the poet who wore the flowered blouse, but of themselves; laying bare their own hearts. So that in your exploration you move carefully, tenderly, as among sensitive living flowers and plants which have survived much that you have mercifully been spared....." Oswald Durand, an artist and poet of the land has met a beautiful treatment at the hands of this charming author: "He had superlatively the cult of woman . . . He was to the last intoxicated with her....He loved the poetry of the flesh, the fugitive perfume of loves which did not endure....He was the happiest singer of our creole nymphs, setting to poetry our enchanting landscapes.....An immence love circles from one end of his work to another."

The book contains a number of well executed illustrations, is printed on good paper and has a beautiful appearance.

H. P. S.

Delightful, Whimsical, Humorous

CHINESE FANTASTICS

BY THOMAS STEEP

No book on China is more widely read. The chapters treat of queues, pagodas, pidgin-English; of the life of ricksha coolies, beggars, pirates, actors, demoted princes; of superstitions about dragons, foxes and ghosts; of jade, fans, bamboos, gold fishes and pigeons with whistles on their tails. The Empress Dowager, who ruled China for fifty years, is described in a chapter on "The Woman that Henpecked a Nation," which tells of her life in the Forbidden City. The book abounds in glimpses of junks on the Yangtsze, of the Chinese theatre and of life in Peking, Shanghai and Hongkong.

N.Y. Times; "Everything odd and amusing in Chinese life gets into Mr. Steep's net. He has the ability to evoke images in the minds of his readers."

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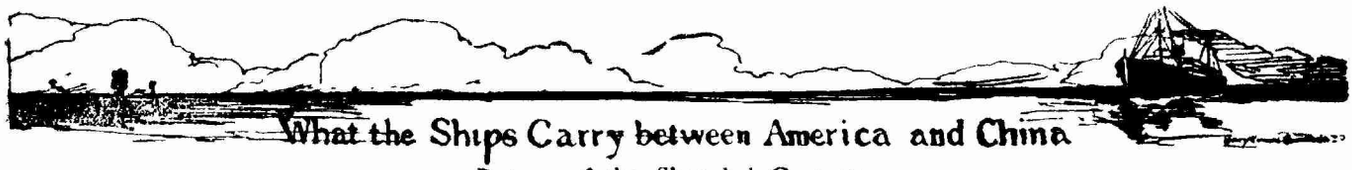

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To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai bls. 60	Pls	59.53
Yellow, Shanghai Bls. 5	Pls.	5.01

To New York.

Silk, Raw, Re-reeled from Dupions: Shanghai....Bls. 40	Pls.	39.68
Silk, Raw, Steam Filature: White, Shanghai Bls. 200	Pls.	219.40
White other Ports Bls. 130.....	Pls	108.98
Yellow Shanghai Bls. 10	Pls.	10.27
Yellow other Ports Bls. 10	Pls.	10.08
Silk, Waste: Other Ports. Bls. 123	Pls.	401.69
Silk Piece Goods	,,	7.50
Antimony, Regulus ...	,,	2,520
Bristles, Assorted.....	,,	45
Egg Whole, Dried	,,	170
,, Yolk, Dried	,,	188
Walnuts, Kernels.....	,,	41
Wool, Sheep's.....	,,	252
Carpets	Pcs.	342
Hats, Fine Hemp....	,,	300
Skins, Dog Tanned ..	,,	13,830
,, Lamb, Untanned	,,	33,890
,, Marmot Untanned	,,	4,300
Skin Jackets, Lamb ...	,,	1,078
,, Crosses, Lamb....	,,	732

To Boston.

Intestines, Salted	Pls.	22

President Madison, Nov. 11.

from U. S. A.

Cotton Goods, Unclassed	Yds.	211
Cottons Yarn-dyed....	,,	7,874
Apples, Fresh.....	Pls.	1,268
Fish, Fresh.....	,,	20
Flour, Wheat	,,	893
Hams	,,	4
Indigo Paste, Artificial, 50 per cent.	,,	343
Milk, Evaporated.....	,,	1,104
Canned Goods, Unclassed	Doz.	60
Shoes, Leather.....	Pairs	208
Cigarettes	Mille	30,000

Empress of Russia, Nov. 13.

From Manila.

Cigars.....	Mills	103

President Grant, Nov. 15.

To Seattle.

Tea, Green:

Gunpowder, Ningpo.	Pls.	35
Egg Albumen, Moist ..	,,	465
,, Yolk, Moist	,,	510
,, ,, Dried	,,	50
,, Whole Dried.....	,,	281
Walnuts, Shelled	,,	124
Carpets	Pcs.	27

To Victoria.

Carpets	Pcs.	34

To St. Paul.

Carpets.....	Pcs.	12

To Houston.

Hair Human	Pls.	25

To Chicago.

Intestines, Pigs' Salted	Pls	43
,, Sheep's ,, .	,,	4

To Charleston.

Hair, Human.....	Pls.	44

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 145	Pls.	142.28

To Philadelphia.

Wool, Sheep's.....	Pls.	646

To Huntingdon.

Silk, Raw, Steam Filature: White, other Ports Bls. 35.....	Pls.	34.28

To New York.

Silk, Raw, Steam Filature: White, Shanghai Bls. 90	Pls.	89.93
White, other Ports Bls. 25.....	,,	24.84
Yellow, Shanghai Bls. 5	,,	4.96
Yellow, Hankow Bls. 10.....	Pls.	10.15
Brassware	,,	14
Egg Yolk, Spray Powder, Dried.....	,,	168
Hides, Pony.....	,,	8
Intestines, Pigs', Salted.	,,	22
Walnuts, Shelled.....	,,	165
Woodware	,,	3
Skins, Dog	Pcs.	6,200
,, Leopard	,,	100
,, Marmot.....	,,	5,000
,, Rabbit	,,	9,400
,, Wolf	,,	360
Carpets.....	,,	743

Ningchow, November 18.

To Baltimore.

Tea, Green: Gunpowder, Ningpo.	Pls.	240
Fans, Straw	Pcs.	14,400

To Boston.

Tea, Black, Congou, Hankow.....	Pls.	148

To New York.

Bristles, Assorted	Pls.	123
Egg Albumen, Dried..	,,	176
Hair, Horse.....	,,	52
Hides, Buffalo	,,	323

President Van Buben, Nov. 18.

To New York.

Antimony Regulus....	Pls.	3,364
Bristles, Assorted.....	,,	250
Chinaware, Fine.....	,,	32
Egg Albumen, Dried...	,,	222
,, ,, Moist ..	,,	974
,, Whole, Frozen ..	,,	745
,, Yolk, Drird.....	,,	183
,, ,, Moist	,,	1,024
Hair, Human.....	,,	61
Intestines, Pigs', Salted	,,	29
Horse Tails	,,	50
Canned Meats	Doz.	116
Carpets.....Hk. Tls.		465

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—There has been but very little variation in prices during the past week when compared with those prevailing in the previous period, and at the close, the outlook does not seem to warrant the expectation of extreme fluctuations, and the probability, therefore, is for a continuance of rather narrow markets until the situation will shape itself in one way or the other in a more decided manner.

As to the demand for the local staple on the part of consumers, no marked improvement is as yet discernible, but no sooner the internal political disturbances shall have assumed a more peaceful aspect, it may be reasonably expected that a more seasonable demand for Mills output in general will evolve, and in which event the indications would incline to purchases being made at this time on a conservative basis which would eventually prove profitable provided no untoward modifications in the foreign fibre affect the trend of our market.

Yarn:—Since the issue of our last report, our market assumed more or less a firm aspect ascribable to a great extent to the rumours of labour strikes and prices advanced by about Tls. 2.00 higher than that current during the previous period. Business for export has been booked some 9000 to 10000 bales in all counts during the week under review.

Liverpool:—

American-Middling	6.59
American-Middling last reported.....	6.96

Tone of the market, *Steady*.

New York Market:—

Price of Mid-Amer.	12.45 Spot.
	11.99 Jan.
	12.24 Mar.
	12.47 May.
	12.65 July.
	12.83 Oct.

Tone of the market:—*Steady*.

Indian Market:—

Fully Good Bengal, D./J.	210
Fine Oomra, Dec/Jan...	236
Fully Good Broach, A./M.	249

Tone of the market—*Steady*.

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	31.40
Shanghai, Nov.....	29.00
M. Ginned Nov.....	29.00
Shensi, No. 1 Spot.....	29.00
Ningpo, Spot, Exwharf.	28.60

Tone of the market—*Steady*.

The Ideal Christmas Gifts

The True Story of Ah Q. By Lu-hsun. Translated by Geo. Kin Leung. $1.20

A character sketch of a Chinese rustic by Lu-hsun, foremost scholar and writer of the new literary movement in China. "Ah Q" is the first noteworthy creation of the new literature. This piquant, ever-animated sketch delights us with the quaint whims and utterances of villagers.

Dragon Lure. By N. H. Pitman. $4.

"The story is full of cleverly planned surprises. The motion is swift; there is much that is delightful and enjoyable, and what is rare in modern fiction, there is not a line which you would hesitate to read aloud in mixed company."

Love and Duty. By Ho Ro-se. $1.60

"The setting of the story is typically Chinese, and there are many glimpses into family life in China which are true to fact, and make the book instructive as well as being quite a good story as a novel."

The Lone Swan. By Rev. Mandju. $2.

Reverend Mandju, the brilliant monk and scholar, in this bit of impressionism tells, in poetical prose, of his struggle between love and religion. He reveals colorful flashes of monastic life and deftly paints in his quaint words scenes laid in famous cities of China and Japan.

Poems to Wu. By E. S. Lester. $2.

Twenty poems on China—the priest, the wheelbarrow man, the pagoda, junks, etc., with depth of feeling and insight into Chinese life and thought. Illustrated with clever and charming sketches in pen and ink. Bound in silk, Chinese style.

China's International Relations and Other Essays. By H. F. MacNair, Ph.D. $2.50 Ready shortly.

Companion volume to "China's New Nationalism and Other Essays" published last year. Maintaining the same balance as in the earlier ones. No unfair criticisms of Chinese and Westerners; avoids sugar-coating the truth in throwing light on problems discussed.

Plum Blossoms and Blue Incense. By Bennett and Soong. $4. Ready shortly.

Fifteen short stories on China—admirably done and interest-compelling by the renown writers. A beautiful three-color jacket and nine pen and ink sketches add charm and atmosphere to the book.

X'mas Novelties at 10%

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The COMMERCIAL PRESS, Ltd.

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Shanghai China

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(*Continued from page 54*)

states that Chinese employes of American firms have either struck or are threatening to strike—Peking report states that Kuominchun army is again assuming a threatening attitude in Sinkiang and that the army has been freshly armed and munitioned from Russia; also reported that Kuominchun troops incorporated into the army of Gen. Yen Hsi-shan of Shansi have been expelled from the province and have gone to Paotouchen and Wuyuan to join Feng Yu-hsiang for a drive against Suiyuan or on Honan through Shensi—China Merchants Steam Navigation Company, Shanghai, stops all sailings owing to commandeering of vessels by both Northern and Southern factions—*Kuo Wen* report from Tientsin states that Fengtien militarists are planning to raise a loan of $10,000,000 based on resources of Chihli province for financing the war—Fengtienites ask Kailan Mining Administration, British concern, for loan of $1,000,000 for war purposes—Fengtien troops moved from Nanyuan, Peking to Paotingfu, and ordered to prepare for march into Honan—Peking report states that the general headquarters of the Ankuochun army in Peking will be established on a grand scale and that if Wellington Koo decides to resign, that a new premier and foreign minister will be appointed—Dr. Wang Chung-hui, reported as being opposed to the publication of the Extraterritoriality Report—Tsao Kun, former president and head of the Chihli party now staying at Kaifeng—Chen Tiao-yuan, tupan of Anhwei, threatens to resign owing to the advance of Fengtien troops into northern Kiangsu—Three Province Association at Shanghai continues agitation for 'independent' government at Shanghai; also working on scheme for taking over control of the Shanghai-Woosung Administrative District and for the abolition of the Shanghai arsenal—Lou Chin-chang, vice-Minister of Communications and concurrently chief of the Peking-Hankow railway arrested by Fengtien militarists on charge of 'peculation'-Gen. Chiang Kai-shek, Southern commander holds important conference with Kuomintang leaders recently arrived from Canton, at Kiukiang, the party being greeted by 10,000 people; whole party expected to proceed to Wuchang immediately.

December 7.—Employes of Chinese banks in Hankow have presented demands for increased pay—Gen. Lu Hsiang-ting, commander of the 2nd Chekiang Division and tupan of Chekiang, arrived in Shanghai from Nanking and proceeded to Lunghwa where he will make his headquarters; Gen. Lu announced that the 2nd Chekiang Division will also be stationed here—At a recent military conference in Chenchow, Marshal Wu Pei-fu insisted that his troops be dispatched into Hupen in a quick drive against Hankow—Another Japanese destroyer, the Tanikaze arrives at Foochow and lands 100 sailors for the purpose of protecting Japanese lives and property—Fengtien militarists announce intentions of sending 40,000 troops into Honan—Generals Chi Hsieh-yuan, Kuo Ying-chi and Chen Wen-chao arrive in Chengchow for conference with Wu Pei-fu—Generals Yen Ping-wen commander of frontier defense forces in Szechuen and Chen Lan-ting of the 2nd mixed brigade in Szechuen, revolt against their commander Gen. Lai Hsin-hui at Luchow and join Southern forces—Hankow strike situation improves and French and British landing forces return to ships—Final group of Government officials pack up and depart overland for Hankow from Canton—British ship owners and strike leaders at Canton and Hongkong practically reach agreement.

Col. Henry Jewett Furber, retired attorney, of Green Bay, Wis. arrived in Shanghai last week for a stay of several days. Col. Furber, who is an officer of the Legion of Honor, arrived in Japan several weeks ago in company with John Barton Payne of the American Red Cross to attend a conference of Oriental Red Cross organizations in Tokyo. Col. Furber won an international reputation during the World War through the invention of a method for locating masked batteries and submarines through sound. He is a graduate of Chicago University and holds degrees from leading universities in Germany and France. Col. Furber is staying at the American Club while in Shanghai.

G. F. Richardson, accompanied by Mrs. Richardson, has arrived in Shanghai to join the staff of the Raven Trust Company, Ltd. Mr. Richardson has had six years' legal experience in and around Seattle. The American-Oriental Banking Corporation has also added to its personnel Trueman R. Johnson and David P. Gill. Mr. Johnson has been with the First National Bank of Los Angeles for the past five years and Mr. Gill has been with the Seattle National Bank during the past nine years. Mrs. Johnson arrived in Shanghai with her husband, but Mrs. Gill is not expected until a later date.

Latest New York Stock Exchange Quotations

Supplied by J. E. SWAN & CO.

Share and general brokers
Members Shanghai Stock Exchange

11 Kiukiang Road. Telephone C. 6615

Closing Rates—December 8

Market Closed: Firm Business Done 1,600,000

December 8, 1926 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	149⅞	145	130⅝
American Tobacco (Class B)	121¼	119½	84½
Anaconda Copper	47⅞	53¼	35¼
Baldwin Locomotive	155½	146	107
Bethlehem Steel (Ord)	46¼	35½	37
General Motor (Common)	146	149¾	64⅝
Liggett & Meyers (Class B)	99½	89⅞	55½
Pennsylvania Railroad	56¼	55⅜	42½
Tobacco Products	110⅛	101¾	70
Tobacco Products (Class A)	114½	110⅜	93⅛
United States Rubber Co.	58⅜	97¼	33½
Du Pont de Nemours (Common)	167⅜	271¼	134¼
American Can	35	48½	15
American Smelting	23⅜	28½	24¼
Union Pacific R R	161¼	153¼	133¼
U. S. Steel	149¾	139¼	112⅜
Anglo American Oil (Voting Shares)	19½	26⅜	17⅛
British American Oil	77	47½	38
Phillips Petroleum	55¼	47⅛	36¼
Imperial Oil	28⅝	134¾	27¼
International Petroleum	31⅜	35⅜	22⅛
Continental Oil	19⅞	31⅛	21⅞
Standard Oil of Calif	58⅛	67¼	51½
" " Indiana	65¼	70¾	59½
" " New Jersey	38⅜	47½	38⅜
" " New York	32⅝	48⅝	40

We are not responsible for cable mutilations
Telephone orders accepted—subject to confirmation.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Nov. 25th.	Sale Price Nov. 25th.	Approx. Yield to Maturity Dec. 2nd.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	104	105	7.55
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	98½	99½	7.55
Republic of Chile S. F. Loan	7	Nov 1, 1942	100⅝	100¾	6 90
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98¼	98¼	6 10
German Governments S. F. Loan.....	7	Oct. 15, 1949	105⅜	105¼	6.50
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	102	101⅞	5 85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	100	100	7.00
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual		85½ 84¾	4.72
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	90¼	90¾	6.75
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	107⅛	107¾	6.25
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	103	102¾	6.75
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	100½	100¼	7.00
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	98½	99	6.05
Dodge Brothers Inc. Debentures	6	May 1, 1940	95¾	95¾	6.50
Republic of Haiti.....	6	Oct. 1, 1952	98½	98¼	6.15
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	104⅛	104⅜	7.10
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92¼	92	7.70

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

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Shanghai Exchange for Week Ending Wednesday, Dec. 8, 1926

By Maitland, Fearon and Brand

Exchang:—During the past week, the price of Bar Silver in London has declined ready and $\frac{5}{16}$d. forward, today's quotation is 24⅜d. ready and forward. The official rate on London is ¼d. lower @ 2/4¼d. Another quiet week has to be recorded in exchange market, the general situation in regard to trade remains much the same; political horizon having in no way cleared, hence exchange transactions against genuine merchant business remains at a very low ebb The following rates for Gold remittance near delivery are available at the close of today's market which closes steady. T/T London 2/5 1/16d., New York 58⅞, Yen 83½. 4 m/s export paper can be placed—Sterling 2/5⅝d., G. $60⅜.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 77,334,000 a decrease of Tls. 3,391,000
Chinese and Mexican Dollars.....$ 69,020,000 an increase of $ 550,000
Estimated value Tls. 127,028,000 as against Tls. 101,916,000 held at this time last year

	Average rates for Nov.	Thursday Dec. 2	Friday Dec. 3	Saturday Dec. 4	Mon. Dec. 6	Tues Dec. 7	Wednesday Dec. 8
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.894	2/4⅜	2/4⅜	2/4⅜	2/4⅜	2/4⅜	2/4⅜
D/Dfts ,,	—	2/4 13/16	2/4 13/16	2/4 13/16	2/4 13/16	2/4 13/16	2/4 13/16
4 m/s ,,	—	2/5	2/5	2/5	2/5	2/5	2/5
T/T India	161 615	161¼	161¼	161¼	161¼	161¼	161¼
T/T France	1,724 423	1560	1515	1480	1460	1485	1525
T/T N. Y.	58.288	58	58	58	58	58	58
T/T Hong	80.394	80¼	80½	80¾	80¾	81	81
T/T Japan	83.990	84½	84½	84½	84½	84½	84½
T/T Batavia	145.067	144⅞	144⅞	144¼	144¼	144¼	144¼
T/T Straits	96.500	97	97	97	97	97	97
Bk's buying rates 4 m/s B/L. Cred. D/A	2/6.894	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾
4 m/s ,, D/P	—	2/7	2/7	2/7	2/7	2/7	2/7
6 m/s ,, B/L Cred D/A	2/7.207	2/7 1/16	2/7 1/16	2/7 1/16	2/7 1/16	2/7 1/16	2/7 1/16
4 m/s B/F Cred D/A	1.861.154	1690	1645	1610	1590	1615	1655
4 m/s N. Y. Lc.	61.788	61½	61½	61½	61½	61½	61½
4 m/s ,, Dacs	—	62	62	62	62	62	62

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Dec. 2	Dec. 3	Dec. 4	Dec. 6	Dec. 7	Dec. 8
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	24 1/16	24 1/16	24⅝	24 1/16	24⅜	24⅜
**New York Price of Bar Silver per oz. (Pure)	G. $.53¼	G. $ 53⅛	G. $.53⅛	G. $ 52⅞	G. $.52⅝	G. $
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	408.30	410.70	309.30	410.[illegible]	405.70	406.[illegible]
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per $100.....	73.40	73.00	73.35	73.3875	73.4375	73.[illegible]
Native Bank Rate of Interest (Call money).....	1 1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 127.39
Bank of France rate of discount	7½%	New York on London	T/T 485
London open Market of Dis. 3 m/s	4 1/16%	Bombay on London	T/T 1/5⅜
,, 4 ,,	4 1/16%	Hongkong on London	T/T 1/11⅛
,, 6 ,,	4 1/8%	Kobe on London	T/T 2/0⅛